TVI
Resource Development (Phils.) Inc.

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8751 Paseo de Roxas
Makati City, 1226, Philippines
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SECURITIES AND EXCHANGE COMMISSION
RECEIVED
DEC 16 2015
MARKET REGULATION DEPT.
BY: TIME: 4:39

16 December 2015

SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills,
Mandaluyong City, Metro Manila

Attention: **DIR. VICENTE GRACIANO P. FELIZMENIO, JR.**
Market and Securities Regulation Department

Re: TVI Resource Development (Phils.), Inc. –
Responses to Comments on the Registration Statement

Gentlemen:

We attach herewith (i) the responses of TVI Resource Development (Phils.), Inc. (the "**Company**") to the comments of the Markets and Securities Regulation Department of the Honorable Commission on the Registration Statement contained in your letter dated 24 November 2015; and (ii) the revised Preliminary Prospectus.

We trust that our responses and explanations suffice. Thank you very much.

Very truly yours,

EUGENE T. MATEO
President

MARYKNOLL B. ZAMORA
Comptroller

PRELIMINARY PROSPECTUS

TVI RESOURCE DEVELOPMENT PHILS., INC.
(A corporation organized and existing under Philippine laws)

Prospectus relating to the Primary Offer of up to 272,021,000 Common Shares and Secondary Offer of up to 136,011,000 Common Shares of the Company at the Offer Price of up to ₱3.71 per Offer Share to be listed and traded on the Main Board of the Philippine Stock Exchange, Inc.

This Preliminary Prospectus is dated as of October 7, 2015

Issue Manager & Lead Underwriter
BDO CAPITAL & INVESTMENT CORPORATION

Participating Underwriters
[●]

Selling Agents
THE TRADING PARTICIPANTS OF
THE PHILIPPINE STOCK EXCHANGE, INC.

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.

TVI RESOURCE DEVELOPMENT PHILS., INC.
22nd Floor BDO Equitable Tower 8751
Paseo de Roxas, Salcedo Village, Makati City 1226
Tel: +63 2 728-8491
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This Prospectus relates to the offer and sale to the public of up to 408,032,000 new and existing common shares (the "Offer", and such shares, the "Offer Shares"), par value of ₱0.05 per share (the "Common Shares), of TVI Resource Development Phils., Inc., a corporation organized under Philippine law ("TVIRD", or the "Company" or the "Issuer"). The Offer Shares comprise of (i) up to 272,021,000 new Common Shares to be issued and offered by the Company by way of a primary offer (the "Primary Offer", and such Common Shares subject thereof, the "Primary Offer Shares") as further described below, and (ii) up to 136,011,000 existing Common Shares to be offered by Prime Resources Holdings, Inc. ("PRHI") and TVI International Marketing Limited ("TVIIM" and, together with PRHI, collectively, the "Selling Shareholders") (the "Secondary Offer", and the Common Share subject thereof, the "Secondary Offer Shares"). Of the total Secondary Shares, PRHI will offer up to 93,918,394 shares and TVIIM is up to 42,092,606 shares.

As of the date of this Prospectus, the Company has an authorized capital stock of ₱500,000,000 divided into 500,000,000 common shares with a par value of ₱1.00 per share. On September 24, 2015, the Board of Directors of the Company and shareholders representing at least 2/3 of the outstanding capital stock of the Company approved certain amendments to the Company's Articles of Incorporation and Bylaws, including the reclassification of a portion of its authorized common capital stock into preferred shares and the change in the par value of the Company's common shares from ₱1.00 to ₱0.05 per share. On October 7, 2015, the Company filed an application with the Securities and Exchange Commission ("SEC") for the approval of the foregoing amendments.

Assuming approval by the SEC of the amendments to the Company's Articles of Incorporation and Bylaws, the Company will have an authorized capital stock of ₱500,000,000 consisting of 9,600,000,000 Common Shares with a par value of ₱0.05 per Common Share and 2,000,000,000 preferred shares (the "Preferred Shares") with a par value of ₱0.01 per Preferred Share.[1]

As of the date of this Prospectus, a total of 2,448,181,860 Common Shares (excluding 616,250,000 treasury shares) and 2,000,000,000 Preferred Shares have been subscribed and fully paid-up.[2]

The Common Shares, including all of the Offer Shares, will be listed and traded on the Main Board of the Philippine Stock Exchange, Inc. ("PSE"). The Offer Shares will be offered at a price of up to ₱3.71 per Offer Share (the "Offer Price"). The determination of the Offer Price is further discussed on page [●] of this Prospectus and is based on [the book-building process and

[1] In this Prospectus, including for purposes of computing the number of the Offer Shares, or the authorized, subscribed and outstanding Common Shares, approval by the SEC of the amendments to the Company's Articles of Incorporation (including in particular the reclassification of its authorized common capital stock into preferred shares and the change in par value of such common shares) has been assumed.

[2] See note 1. Pursuant to the resolutions by the Board of Directors of the Company adopted in its meeting held on September 24, 2015, immediately upon the approval by the SEC of the amendments to the Company's Articles of Incorporation, specifically, the reclassification of its authorized common capital stock into, and the creation of, the Preferred Shares, but prior to the commencement of the Offer Period, certain existing shareholders of the Company will subscribe to a total of 2,000,000,000 Preferred Shares at a subscription price equivalent to the stated par value thereof.

discussions between the Company, the Selling Shareholders and BDO Capital & Investments Corporation (the "Issue Manager and Lead Underwriter").

After the Offer, a total of 2,720,202,860 Common Shares will be outstanding (excluding 616,250,000 treasury shares). The Offer Shares represent 15% of the outstanding Common Shares after the Offer.

Assuming an Offer Price of ₱3.71, the total proceeds to be raised by the Company from the sale of Primary Offer Shares will be approximately ₱1.01 billion and the total proceeds to be raised by the Selling Shareholders from the sale of the Secondary Offer Shares will be approximately ₱504.60 million. Assuming an Offer Price of ₱3.71, the net proceeds to be raised by the Company from the sale of the Primary Offer Shares after deduction of estimated fees and expenses payable by the Company at approximately ₱80.39 million will be approximately ₱928.80 million. Assuming an Offer Price of ₱3.71, the net proceeds to be raised by the Selling Shareholders from the sale of the Secondary Offer Shares after deduction of estimated fees and expenses payable by the Selling Shareholders at approximately ₱40.16 million will be approximately ₱464.44 million. The Company will not receive any of the proceeds from the sale of the Secondary Offer Shares.

The Company intends to use the net proceeds from the Primary Offer to fund the capital expenditure requirements of the Balabag Gold-Silver Project, and, if applicable, to fund certain other projects held by the Company for further development. For a more detailed discussion on the Company's proposed use of proceeds, see "Use of Proceeds" on page [●] of this Prospectus.

The Issue Manager and Lead Underwriter will receive a transaction fee from the Company equivalent to two and three-fourths percent (2-3/4%) based on the gross proceeds from the sale of the Offer Shares (as defined before). This is inclusive of the amounts to be paid to the Selling Agents, where applicable. For a more detailed discussion on the fees to be received by the Issue Manager and Underwriter, see "Use of Proceeds" on page [●] of this Prospectus.

All of the Offer Shares issued and to be issued pursuant to this Offer have identical rights and privileges. Each holder of the Offer Shares will be entitled to such dividends as may be declared by the Company's Board of Directors, provided that any stock dividend declaration requires the approval of shareholders holding at least two-thirds of the Company's total outstanding capital stock. As of the date of this Prospectus, the Company has not adopted any dividend policy, except upon declaration and approval by the Company's Board of Directors and subject to availability of unrestricted related earnings. However, the Company is looking at paying at least 20% of the audited net income. Moreover, despite the existence of unrestricted retained earnings, dividend declaration may be withheld by the Board of Directors when: (i) justified by definite corporate expansion; or (ii) when the Company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or (iii) when it can be clearly shown that the retention of earnings is necessary under special circumstances obtaining in the Company, such as when there is a need for special reserves for probable contingencies. See "Dividends and Dividend Policy" on page ● of this Prospectus.

The 408,032,000 Offer Shares are being offered in the Philippines to all of the trading participants of the PSE (the "PSE Trading Participants") and to local small investors ("LSIs") under the Local Small Investors Program in the Philippines, with 81,606,400 Offer Shares being allocated to each of the [133] PSE Trading Participants and 40,803,200 Offer Shares allocated to the LSIs. The remaining 285,622,400 Offer Shares and any Offer Shares not taken up by the PSE Trading Participants and the LSIs shall be distributed by the Issue Manager and Lead Underwriter to its respective clients or to the general public. Offer Shares not taken up by the PSE Trading Participants, LSIs, the Issue Manager and the Lead Underwriter's clients, or the general public shall be purchased by the Lead Underwriter. In any case, the amount of Offer

Shares to be made available to the PSE Trading Participants and LSIs will be 20% and 10%, respectively, of the Offer Shares. See "Plan of Distribution" on page [●] of this Prospectus.

The Offer Shares may be owned by any person or entity regardless of citizenship or nationality, provided that no more than 40% of the issued and outstanding shares of the Company may be owned by foreigners. The Company is engaged in the exploration, development, and utilization of mineral resources of the Philippines. Under the Philippine Constitution and related statutes, such activities are reserved for Filipino citizens or corporations or associations at least 60% of whose capital is owned by Filipino citizens.

On [October 7, 2015], the Company filed a Registration Statement covering the Offer Shares with the Securities and Exchange Commission ("SEC"), in accordance with the provisions of the Securities Regulation Code. On [October 7, 2015], the Company filed its application for the listing and trading of the Offer Shares with the PSE. The Offer is conditioned on the listing of the Offer Shares on the PSE.

[The Board of Directors of the PSE approved the listing of the common shares on [●]. The approval for listing is merely permissive and does not constitute a recommendation or endorsement of the Offer by the PSE. The PSE assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Prospectus. Furthermore, the PSE makes no representation as to the completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon the whole or any part of the contents of this Prospectus.]

The information contained in this Prospectus relating to the Company and its operations has been supplied by the Company, unless otherwise stated herein. To the best of its knowledge and belief, the Company, which has taken reasonable care to ensure that such is the case, confirms that, as of the date of this Prospectus, the information contained in this Prospectus relating to it and its operations is correct, and that there is no material misstatement or omission of fact which would make any statement in this Prospectus misleading in any material respect and that the Company hereby accepts full and sole responsibility for the accuracy of the information contained in this Prospectus with respect to the same.

The Issue Manager and Lead Underwriter confirms that it has exercised the required due diligence in verifying that all material information in this Prospectus is true and that no material information was omitted, which was necessary in order to make the statements contained herein not misleading. The Issue Manager and Lead Underwriter assume no liability for any information supplied by the Company in relation to this Prospectus.

Unless otherwise indicated, all information in this Prospectus is as of the date of this Prospectus. Neither the delivery of this Prospectus nor any sale made pursuant to this Prospectus shall, under any circumstances, create any implication that the information contained herein is correct as of any date subsequent to the date hereof or that there has been no change in the affairs of the Company since such date.

In making an investment decision, applicants are advised to carefully consider all the information contained in this Prospectus, including risks associated with an investment in the Offer Shares. These risks include:

- risks relating to the Company's existing business and industry,
- risks relating to the Philippines, and
- risks relating to the Offer and the Offer Shares.

For a more detailed discussion on the risks in investing, see section on "Risk Factors" on page [●] of this Prospectus, which, while not intended to be an exhaustive enumeration of all risks, must be considered in connection with a purchase of the Offer Shares.

The Offer Shares are offered solely on the basis of the information contained and the representations made in the Prospectus. No dealer, salesman or other person has been authorized by the Company or the Issue Manager and Lead Underwriter to issue any advertisement or to give any information or make any representation in connection with the Offer other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorized by the Company or the Issue Manager and Lead Underwriter.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Company or the Issue Manager and Lead Underwriter to subscribe for or purchase any of the Offer Shares. Neither may this Prospectus be used as an offer to, or solicitation by, anyone in any jurisdiction or in any circumstance in which such offer or solicitation is not authorized or lawful. The distribution of this Prospectus and the Offer in certain jurisdictions may be restricted by law. Persons who come into possession of this Prospectus are required by the Company and the Issue Manager and Lead Underwriter to inform them about, and to observe any such restrictions.

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OF COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY.

The Offer Shares are offered subject to receipt and acceptance of any order by the Company and subject to its right to reject any order in whole or in part. [It is expected that the Offer Shares will be delivered in book-entry form against payment thereof to the Philippine Depository and Trust Corporation (the "PDTC") on or about ●.]

TVI RESOURCE DEVELOPMENT PHILS., INC.

By:

EUGENE T. MATEO President	**MARYKNOLL B. ZAMORA** Treasurer / Comptroller

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) SS.

SUBSCRIBED AND SWORN to before me this ____________________ in the City of Makati, Philippines, affiants exhibiting to me the following as competent evidence of identities:

NAME	GOVERNMENT ISSUED I.D.	DATE AND PLACE OF ISSUE
Eugene T. Mateo	Philippine Passport No. EB9425255	22 October 2013 / DFA NCR South
Maryknoll B. Zamora	Philippine Passport No. EB7767110	02 April 2013 / DFA Manila

Doc. No. ____;
Page No. ____;
Book No. ____;
Series of 2015.

No representation or warranty, express or implied, is made by the Company, the Selling Shareholders, the Issue Manager and Lead Underwriter, regarding the legality of an investment in the Offer Shares under any legal, investment or similar laws or regulations. The contents of this Prospectus are not investment, legal or tax advice. Prospective investors should consult their own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of a purchase of the Offer Shares. In making any investment decision regarding the Offer Shares, prospective investors must rely on their own examination of the Company and the terms of the Offer, including the merits and risks involved. Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Offer Shares is prohibited.

The Company and the Selling Shareholders reserve the right to withdraw the offer and sale of the Offer Shares at any time, and the Issue Manager and Lead Underwriter reserve the right to reject any commitment to subscribe for the Offer Shares in whole or in part and to allot to any prospective purchaser less than the full amount of the Offer Shares sought by such purchaser. If the Offer is withdrawn or discontinued, the Company shall subsequently notify the SEC and the PSE.

Conventions which apply to this Prospectus

In this Prospectus, unless otherwise specified or the context otherwise requires, all references to the Company are to the Issuer and its subsidiaries and affiliates (or the Issuer and any one or more of its subsidiaries or affiliates, as the context may require). All references to the "Philippines" are references to the Republic of the Philippines. All references to the "Government" are to the national government of the Philippines.

This Prospectus contains translations of certain US$ amounts into ₱ amounts at specified rates solely for the convenience of the reader. These translations should not be construed as representations that the US$ amounts represent such ₱amounts or could be, or could have been, converted into ₱ at the rates indicated or at all. Unless otherwise indicated, all translations from US$ to ₱ have been made at a rates of ₱45.09 per US$ and ₱44.72 per US$, as the case may be, the closing spot rates quoted on the Philippine Dealing System (the "PDS") on June 30, 2015 and December 31, 2014, respectively.

The items expressed in the Glossary of Terms may be defined otherwise by appropriate government agencies or regulations from time to time, or by conventional or industry usage.

CAUTIONARY NOTE REGARDING RESERVES AND RESOURCES

This Prospectus includes estimates made by the Company and third parties of certain reserves and resources. Estimates of reserves and resources should be regarded only as estimates that may change as additional technical and commercial information become available. Not only are such estimates based on information which is currently available, but such estimates are also subject to the uncertainties inherent in the application of judgmental factors in interpreting such information. The quantities that might actually be recovered should they be discovered and developed may differ significantly from the estimates presented herein.

The persons who conducted studies and estimates as to the amount of reserves and resources available in the Company's various projects were as follows:

(a) For the Agata DSO Project, the competent person who rendered the technical reports on the resources was Dr. Carlo A. Arcilla, while the technical report on the reserves was prepared by Engr. Orlando S. Cruz.

(b) For the Agata Limestone Project, the competent person who prepared the technical report on the resources was Mr. Jaime C. Zafra, while the technical report on the reserves was prepared by Engr. Orlando Cruz.

(c) For the Balabag Gold-Silver Project, the competent person who prepared the technical report on the resources was Mr. Leo A. Sosa, while the technical report on the reserves was prepared by Engr. Marcelo A. Bolaño. Mr. Jake G. Foronda prepared the feasibility study on ore processing.

As of the date of this Prospectus, the Company has not independently verified the estimates provided by third parties. As estimates of reserves and resources change over time, the Company will have to adjust its business plans and strategies. Any significant downward revision in the estimates of reserves and resources may adversely affect the Company's financial condition, future prospects, and market value.

BASIS FOR CERTAIN INDUSTRY DATA

Market data and certain industry information used throughout this Prospectus were obtained from internal surveys, market research, publicly available information and industry publications.

Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and neither the Company, any of the Selling Shareholders nor the Issue Manager and Lead Underwriter makes any representation as to the accuracy and completeness of such information.

PRESENTATION OF FINANCIAL INFORMATION

The Company's consolidated financial statements are reported in Pesos and are prepared based on its accounting policies, which are in accordance with the Philippine Financial Reporting Standards ("PFRS") issued by the Financial Reporting Standard Council of the Philippines. PFRS include statements named PFRS and Philippine Accounting Standards, and Philippines Interpretations from International Financial Reporting Interpretations Committee.

Figures in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown in the same item of information may vary, and figures which are totals may not be an arithmetic aggregate of their components.

The Company's fiscal year begins on January 1 and ends on December 31 of the year. Isla Lipana & Co., the Company's independent auditor, has audited and rendered unqualified audit reports on the Company's consolidated financial statements as at June 30, 2015 and December 31, 2014 and for the six months ended June 30, 2015 and 2014 (With comparative figures and notes as at December 31, 2013 and 2012 and for the years ended December 31, 2014, 2013 and 2012).

FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include, without limitation, statements relating to:

- known and unknown risks;
- uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results; and
- performance or achievements expressed or implied by forward-looking statements.

Important factors that could cause some or all of the assumptions not to occur or result in performance or achievements materially different from those in the forward-looking statements include, among other things:

- the Company's ability to successfully implement its strategies;
- competition in the Philippine mining industry;
- the Company's ability to anticipate and respond to economic and market trends, including changes in the Philippine, Asian or global economies;
- changes in interest rates, inflation rates and foreign exchange rates of the Peso against other currencies; and
- changes in the laws, rules and regulations, including tax laws and licensing requirements, in the Philippines.

The Company has based these forward-looking statements largely on its current expectation and projections about future events and financial trends affecting its business and operations. Words including, but not limited to "believe", "may", "will", "estimates", "continues", "anticipates", "intends", "expects", and similar words are intended to identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Prospectus are forward-looking statements. Statements in the Prospectus as to the opinions, beliefs and intentions of the Company accurately reflect in all material respects the opinions, beliefs and intentions of its management as to such matters as of the date of this Prospectus, although the Company gives no assurance that such opinions or beliefs will prove to be correct or that such intentions will not change. This Prospectus discloses, under the section “Risk Factors” and elsewhere, important factors that could cause actual results to differ material from the Company’s expectations. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on behalf of the Company are expressly qualified in their entirety by the above cautionary statements.

In light of the risks and uncertainties associated with forward-looking statements, prospective investors should be aware that the forward-looking events and circumstances in this Prospectus may or may not occur. The Company’s actual results could differ significantly from those anticipated in the Company’s forward-looking statements.

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GLOSSARY OF TERMS

In this Prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below.

Agata DSO Project	The direct shipping of nickel ores derived from the mining and processing operations conducted by the Company pursuant to the Agata MPSA.
Agata Limestone Project	The commercial processing and production of hydrated lime and ground calcium carbonate pursuant to the mining and processing operations conducted by the Company pursuant to the Agata MPSA.
Agata MPSA	MPSA No. 134-99-XIII dated May 26, 1999, covering as mining contract areas certain areas located in the municipalities of Tubay, Jabongga and Santiago, province of Agusan del Norte.
Agata Nickel Processing Project	The commercial processing and production of mixed nickel hydroxide via hydrometallurgical process pursuant to the mining and processing operations conducted by the Company pursuant to the Agata MPSA.
Agata Projects	Collectively, Agata DSO Project, Agata Limestone Project, Agata Nickel Processing Project and such other projects located within the contract areas covered by the Agata MPSA.
Applicant	A person, whether natural or juridical, who seeks to subscribe to the Offer Shares by submitting an Application under the terms and conditions prescribed in this Prospectus.
Application	A subscription for the Offer Shares.
AMVI	Agata Mining Ventures, Inc.
Balabag Gold-Silver Project	The mining, milling of gold and silver resources pursuant to the Balabag MPSA.
Balabag MPSA	MPSA No. 086-97-IX dated November 20, 1997, covering as mining contract areas certain areas located in the municipalities of Guinoman and Diplahan, Zamboanga del Sur, Philippines.
Banking Day	A day (except Saturdays, Sundays and holidays) on which banks in Makati City, Philippines are open for business.
BDO	BDO Unibank, Inc.
BDO Capital	BDO Capital & Investment Corporation; also referred to as "Issue Manager" and/or "Lead Underwriter" and/or "Underwriter".
BIR	Bureau of Internal Revenue.
Board or Board of Directors	The Board of Directors of the Company.

BSP	*Bangko Sentral ng Pilipinas*, the central bank of the Philippines.
Canatuan Expansion Project	The expansion of the mining and milling operations of the Canatuan Project to nearby tenements located within or adjacent to the contract area under the Canatuan MPSA.
Canatuan MPSA	MPSA No. 054-96-IX dated October 23, 1996, covering as mining contract areas certain areas of Canatuan, Tabayo and Siocon, province of Zamboanga del Norte.
Canatuan Project	The mining and milling of gold, silver, copper and zinc resources pursuant to the Canatuan MPSA.
Capex	Capital expenditure
C$	Canadian Dollar.
Common Shares	The Company's shares of common stock, each with a par value of ₱0.05.
Company	TVIRD and, where the context requires, together with its subsidiaries.
Corporation Code	Batas Pambansa Blg. 68, otherwise known as "The Corporation Code of the Philippines".
DENR	Department of Environment and Natural Resources.
DMPF	Declaration of Mining Project Feasibility.
EDCO	Exploration Drilling Corporation.
EPEP	Environmental Protection and Enhancement Plan.
Eligible Investors	Applicants who are qualified to subscribe to the Offer Shares.
FTAA	Financial or Technical Assistance Agreements.
Government	The Government of the Republic of the Philippines.
Indicated Resources	Part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.
Inferred Resource	Part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence, sampling and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops,

	trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.
IPO	Initial Public Offering
Issue Manager and Lead Underwriter	BDO Capital & Investment Corporation
Listing Date	The date on which the listing and trading of the Offer Shares on the PSE begins, expected to be on or about [December [●], 2015]
Local Small Investor (LSI)	A share subscriber or purchaser who is willing to subscribe or purchase a minimum board lot or whose subscription or purchase does not exceed ₱25,000.
Manual	The Manual on Corporate Governance of the Company.
Measured Resources	Part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.
MGB	Mines and Geosciences Bureau
MMEC	Minimax Mineral Exploration Corporation
MPSA	Mineral Production Sharing Agreement
MRL	MRL Nickel Philippines Inc.
Offer	The offer and sale of the Offer Shares
Offer Period	Period commencing at 9:00 a.m., Manila time on [●, 2015] and ending at 12:00 noon, Manila time on [●, 2015] for the sale of the Offer Shares
Offer Price	Up to ₱3.71 per Offer Share
Offer Shares	Up to 408,032,000 Common Shares of the Company, consisting of 272,021,000 Primary Offer Shares and 136,011,000 Secondary Offer Shares.
₱	Philippine Pesos, the lawful currency of the Republic of the Philippines
P/E	Price-to-Earnings, the ratio obtained by dividing a company's share price by its earnings per share
PAVI	Prime Asset Ventures, Inc.
PDTC	The Philippine Depository and Trust Corporation, the central securities

	depositary of, among others, securities listed and traded on the PSE
PMRC	Philippine Mineral Reporting Code
Philippine Nationals	Pursuant to the Foreign Investments Act of 1991, as amended, the term shall mean any of the following: (1) a citizen of the Philippines; or (2) a domestic partnership or association wholly owned by citizens of the Philippines; or (3) a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines; or (4) a corporation organized abroad and registered as doing business in the Philippines under the Corporation Code of which 100% of the capital stock outstanding and entitled to vote is wholly owned by Filipinos or (5) a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine national and at least 60% of the fund will accrue to the benefit of the Philippine nationals. Where a corporation and its non-Filipino stockholders own stocks in an SEC-registered enterprise, at least 60% of the capital stock outstanding and entitled to vote of both corporations must be owned and held by citizens of the Philippines and at least 60% of the members of the Board of Directors of both corporations must be citizens of the Philippines, in order that the corporations shall be considered a Philippine national. Under SEC Memorandum Circular No. 08 dated May 20, 2013, for purposes of determining compliance with the nationality requirement, the required percentage of Filipino ownership shall be applied to both (a) the total number of outstanding shares of stock entitled to vote in the election of directors, and (b) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors.
PRHI	Prime Resource Holdings Inc.
Prospectus	This Prospectus together with all its annexes, appendices and amendments, if any.
Probable Reserve	The economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments to a minimum of pre-feasibility study have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors These assessments demonstrate at the time of reporting that extraction could reasonably be justified.
Proven Reserve	The economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments to a minimum of pre-feasibility study have been carried out, and include consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

PSE	The Philippine Stock Exchange, Inc.
PSE EDGE	PSE Electronic Disclosure Generation Technology.
PSE Trading Participants	Entities authorized by the PSE to own and operate a trading right, pursuant to applicable PSE rules.
Qualified Institutional Buyer	The term refers to any of the following: mutual funds, pension or retirement funds, commercial or universal banks, trust companies, investment houses, insurance companies, investment companies, finance companies, venture capital firms, government financial institutions, trust departments of commercial or universal banks, non-bank quasi banking institutions, Trading Participants of the PSE for their dealer accounts, non-stock savings and loan associations, educational assistance funds, other juridical persons that possess the following qualifications, and registered with the SEC under Memorandum Circular No. 6, Series of 2007: a) Has a minimum annual gross income of at least One Hundred Million Pesos (₱100,000,000) for at least two years prior to registration; b) A total portfolio investment in securities registered with the SEC of at least Sixty Million Pesos (₱60,000,000); c) A net worth of not less than One Hundred Million Pesos (₱100,000,000) and other institutions of similar nature determined as such by the SEC.
Receiving Agent	BDO Unibank Inc. – Trust and Investment Group
Reserves	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments to a minimum of a prefeasibility study have been carried out, and include consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. In the case of integrated mining operations, the pre-feasibility study will have determined an ore treatment plan that is technically and commercially viable and from which the mineral recovery factors are estimated. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.
SCCP	Securities Clearing Corporation of the Philippines.
SEC	Securities and Exchange Commission.
Selling Agents	Trading Participants of The Philippine Stock Exchange.
Selling Shareholders	PRHI and TVIIM.
SRC	Republic Act No. 8799, otherwise known as "The Securities Regulation Code"

Stock Transfer Agent	BDO Unibank, Inc. - Trust & Investments Group
Stock Transfer Agreement	The Stock Transfer Agreement executed between the Company and the Stock Transfer Agent
Trading Day	Any day on which trading is allowed in the PSE
TVIIM	TVI International Marketing Limited
TVIP	TVI Pacific, Inc.
TVIRD	TVI Resource Development Phils., Inc.
Underwriting Agreement	The agreement entered into by and between the Company and the Underwriter, indicating the terms and conditions of the Offer and providing that the Offer shall be fully underwritten by the Underwriter
VAT	Value Added Tax
ZGMC	Zamboanga Gold Mining Corporation

EXECUTIVE SUMMARY

The following summary is qualified in its entirety by the more detailed information, including the Company's audited consolidated financial statements and examined pro forma consolidated financial statements and notes relating thereto, beginning on page ● of this prospectus. For a discussion of certain matters that should be considered in evaluating an investment in the Bonds, see the section of this prospectus titled "Risk Factors." Investors are recommended to read this entire prospectus carefully.

TVIRD is the local affiliate of TVI Pacific Inc. (TSX: TVI), a publicly-listed Canadian mining company focused on the exploration, development and production of precious and base metals from district-scale, large-system, high-margin projects located in the Philippines and Southeast Asia. Concurrent ownership of ventures is shared with TVIRD's majority shareholder, PRHI.

The Company was incorporated on January 18, 1994 and is the first foreign-affiliated Filipino company to reach production stage upon the enactment of the Philippine Mining Act of 1995. Since then, TVIRD has evolved into a diversified mining company that focuses on the acquisition, exploration, development and production of resource projects in the country.

In December 2013, the Company, TVIP and PRHI entered into various investment agreements pursuant to which PRHI acquired majority and controlling ownership of TVIRD. PRHI is a subsidiary of Prime Asset Ventures, Inc. ("PAVI"), a Philippine company with interests in various industries such as power, energy, water supply and distribution systems, mining and other related projects. PAVI, which is the sole owner of PRHI, assumed the status of being the ultimate parent of the Company.

The Company's first mining project to reach operating stage was the Canatuan Project located within a 508-hectare area in the municipality of Siocon, Zamboanga del Norte, Philippines. The Company established gold and silver operations from 2004 to 2008; thereafter, copper and zinc operations from 2009 until 2014, during which time the Company ranked among the top copper and zinc producers in the country.

In November 2014, the Department of Environment and Natural Resources ("DENR") Mines and Geosciences Bureau ("MGB") allowed mining companies, like TVIRD, to expand their contract areas to adjacent territories, subject to compliance with regulatory conditions. The Company is currently seeking regulatory approval for the expansion of permitted operations under the Canatuan MPSA (MPSA No. 054-96-IX) to include exploration, development and other mining operations in respect of mineralized deposits located within areas adjacent to the contract area under the Canatuan MPSA. The Company received information from the MGB that it is one of two mining companies and five cement companies that were given approval for expansion subject to compliance of certain conditions. The Company has already submitted all the documentations required by MGB and is awaiting the final approval of the expansion which is expected to be available during the first half of January 2016.

Established geological studies has previously shown that the presence of massive sulfides in an area is a good indication that a similar ore body is located nearby. On this basis, the Company believes that similar mineral deposits exist within these areas for which expansion is sought and that there is significant potential for discovering extension developments.

TVIRD is likewise advancing its succeeding projects, most notably its Balabag Gold-Silver Project in the municipality of Bayog, Zamboanga del Sur, which has measured indicated resources of 2.5 million tonnes with 1.8 grams per tonne gold and 47.8 gram per tonne silver, according to a PMRC-compliant report - and which is in its final stages of permitting, as well as its ongoing joint venture projects under the Agata umbrella.

Certain Key Projects

The Balabag Gold-Silver Project

The Balabag Gold-Silver Project involves the mining and milling operations to be conducted by the Company in respect of an epithermal gold and silver deposit located in the municipality of Bayog, province of Zamboanga del Sur. The deposit is situated within a 4,779 hectare area covered by the Balabag MPSA (MPSA No. 086-97-IX), approximately 75 kilometers east-north east of the Canatuan mines previously operated by the Company under the Canatuan Project.

The current mineral resource is 2.50 million tonnes averaging 1.8 g/t gold and 47.8 g/t silver for 213,000 ounces of gold equivalent. The ore reserve developed from the this resource amounts to 1.35 million tonnes at 2.5 g/t gold and 68.3 g/t silver for 153,000 ounces of gold equivalent all from proven and probable category ores. The estimates on the resource for the Balabag Gold-Silver Project was prepared by Mr. Leo A. Sosa while the estimates on the reserves was rendered by Engr. Marcelo A. Bolaño. Mr. Jake G. Foronda prepared the feasibility study on ore processing.

The Balabag Gold-Silver Project is 100% owned by the Company. Since 2005, a total of 296 holes have been drilled for a total of 34,156 meters. During the first half of 2013, the Company completed 18 additional infill or extension drill holes equivalent to a total of 1,221 meters.

While waiting for approval by the Government of the Company's pending applications for its Declaration of Mining Project Feasibility ("DMPF") and certain other operating permits, the Company has continued to work on the engineering design for a gold-silver processing plant to process ore on-site. Basic engineering design has been completed and detailed design work is underway.

The Company has likewise established a pilot plant at the Canatuan mine site to carry out metallurgical test work on samples of the different types of mineralization located within the Balabag contract area.

Upon approval of the Company's DMPF for the Balabag Gold-Silver Project, the Company will commence on-site construction work and aim to bring operations on-stream. Construction work over the near term will include a gold-silver processing plant, open pit and a tailings dam.

The Agata Projects

The commercial operations of Agata Mining Ventures Inc. ("AMVI"), a joint venture company organized among the principal stakeholders in the Agata Projects, including the Company, marks the Company's maiden foray into nickel operations and represents the third successful mining project that the Company has brought on-stream in the past 10 years. Succeeding projects under the Agata umbrella include the Agata DSO Project, the Agata Limestone and the Agata Nickel Processing.

The Agata Projects are located in a 4,995-hectare Mineral Production Sharing Agreement (MPSA) area located in the adjacent municipalities of Tubay, Jabonga and Santiago in Agusan del Norte Province covered by the Agata MPSA (MPSA No. 134-99-XIII). The project mine site has a private port adjacent to its operations, which is strategically-located within proximity to main markets in Asia and bears the opportunity for shipping all year round to markets in Australia, India, China, Korea and Japan.

Concurrent to its mining activities, AMVI commenced a detailed exploration program to increase the resources previously disclosed in a Philippine Mineral Reporting Code (PMRC)-compliant mineral resource report. Presently, the Agata DSO Project has a total of 42.7 million tonnes of combined measured and indicated resources with a grade of 0.96% nickel and 19.9% iron.

The proven and probable reserves are 15.6 million wet tonnes with a nickel grade range of 0.9% to 1.5% and iron grade range from 14% to 49% - which effectively positions the Company as a significant producer of nickel in the country.

As the Company ramps-up its Agata DSO Project, it moves closer to the establishment of its proposed nickel processing plant, which will be the first of its kind in the Philippines and will further expand the country's leadership among the world's largest producers of nickel.

The PMRC compliant measured indicated resources in the Agata Limestone Project are 35.6 million tonnes with 55.1% calcium oxide.

In all its endeavors, and with its sizable portfolio of diverse mineral resource projects, the Company remains committed to exploration and mining practices that promote transparency, responsible stewardship of the environment; the inalienable rights to life, dignity, and sustainable development of its host communities; and the delivery of more value to both its customers and shareholders.

Achievements and Milestones

- **An industry pioneer.** TVIRD is the first foreign-invested Filipino mining company licensed to operate under the Philippine Mining Act of 1995 – the law that aims to revitalize the country's mineral and extractive industries.

- **A pioneer in responsible mining.** By virtue of being first to operate under the Philippine Mining Law, TVIRD is also the first Filipino company to successfully conclude operations and commence final rehabilitation under the Philippine Mining Act of 1995.

- **A pioneer in sustainable practices.** TVIRD's genuine practices in successfully engaging the indigenous Subanon community in Siocon, Zamboanga del Norte contributed to the effective implementation of the country's Indigenous People's Republic Act (IPRA Law), which mandates mining companies to seek ancestral domain claimants' free, prior and informed consent before bringing operations on-stream.

- **Three projects in 10 years.** The commencement of the Agata Nickel Laterite Project in Tubay, Agusan del Norte in 2014 marks the third project that TVIRD has successively brought on-stream in the past ten years – which is attributed to the company's entrepreneurial freedom and the speed with which it harnesses business opportunities.

- **A wide portfolio of projects.** TVIRD has acquired Mineral Processing Sharing Agreements covering over 10,000 hectares of aggregated mining contract areas that possess a broad range of mineral resources, including gold, silver, copper, zinc and limestone. It also has an extensive package of tenement applications covering nearly 160,000 hectares in the Zamboanga Peninsula.

- **A partner for progress.** TVIRD Canatuan operations provided employment, livelihood and increased economic activity for its host communities in Siocon, elevating the town from a fourth-class municipality to first-class status. The company has also established the same development framework in Balabag and Agata even prior to operations.

Key Strengths

The Company believes that its principal strengths include:

- A highly-experienced and award-winning management and technical team;
- Its bootstrap resource development model;
- An established operating track record;
- A diverse pipeline of projects and prospects; and
- Strong stakeholders support.

Key Strategies

The Company's strategy is designed to maximize the profitability of its existing base of operations while maintaining its commitment to a streamlined and rationalized resource development model. Its growth strategy is likewise hinged on the continuous exploration of its portfolio of claims and prospects, the acquisition of new properties and the expansion of its customer base. The key elements of the Company's strategy are:

- The development of new mining operations and downstream processing;
- The upgrade of resources and reserves within existing mine sites and the expansion of resources through additional exploration;
- Selective and deliberate acquisition or engagement in operating agreements or joint ventures; and
- The expansion of its customer base and cultivation of relationships with customer.

Corporate Information

The registered office of the Company is at the 22nd Floor BDO Equitable Tower, 8751 Paseo de Roxas, Salcedo Village, Makati City, Philippines. The Company's telephone number at this location is (02)728.8491.

The Company's website is www.tvird.com.ph.

Information Relating to the Common Shares

Authorized capital stock	**₱500,000,000***
Common Shares outstanding before the Offer	**2,448,181,860****
Common Shares outstanding after the Offer	**2,720,202,860****
Market Capitalization at the Offer Price of up to **₱3.71** per Offer Share***	**₱10,091,952,611**

**Assuming approval by the SEC of the amendments to the Company's Articles of Incorporation, the authorized capital stock of the Company will be divided into 9,600,000,000 Common Shares with par value of ₱0.05 per Common Share and 2,000,000,000 Preferred Shares with a par value of ₱0.01 per Preferred Share.*

***Excluding 616,250,000 treasury shares.*

****Computed at the Offer Price of up to ₱3.71 multiplied by the equivalent number of Common Shares outstanding (excluding treasury shares) after the Offer. The PSE computes market capitalization based on the number of listed shares multiplied by the market price.*

TERMS AND CONDITIONS OF THE OFFER

Issuer……………………..	TVI Resource Development Phils., Inc.
Selling Shareholders…......	Prime Resources Holdings, Inc. and TVI International Marketing Limited
Issue Manager and Lead Underwriter……………..	BDO Capital & Investment Corporation
The Offer………………	The Offer of up to 408,032,000 Offer Shares, consisting of up to 272,021,000 new Common Shares representing the Primary Offer Shares to be offered by the Company through the Primary Offer and up to 136,011,000 existing Common Shares representing the Secondary Offer Shares to be offered by the Selling Shareholders through the Secondary Offer.
Offer Shares……………	The Company and the Selling Shareholders, through the Issue Manager and Lead Underwriter, are offering up to 408,032,000 Offer Shares, comprising up to 272,021,000 Primary Offer Shares and up to 136,011,000 Secondary Offer Shares.
Offer Price……………	The Offer Shares are being offered at the price of up to ₱3.71 per Offer Share, which was established using the price-to-earnings (P/E) multiple valuation approach and the book-building process and discussions among the Company, the Selling Shareholders and the Issue Manager and Lead Underwriter.
Offer Period……………	The Offer Period shall commence at 9:00 a.m., Manila time on [December 7, 2015] and end at 12:00 noon, Manila time on [December 11, 2015]. The Company and the Lead Underwriter reserve the right to extend or shorten the Offer Period, subject to the approval of the PSE. Applications must be received by the Receiving Agent not later than 12:00 noon, Manila Time on [December 11, 2015]. Applications received thereafter or without the required documents will be rejected. Applications shall be considered irrevocable upon submission to the Underwriter, and shall be subject to the terms and conditions of the Offer as stated in this Prospectus and in the Application. The actual subscription and/or purchase of the Offer Shares shall become effective only upon the actual listing of the Offer Shares on the PSE.
Use of Proceeds ………	See “Use of Proceeds” on page ● of this Prospectus for further details.
Minimum Subscription…	Each Application must be for a minimum of [●] Offer Shares, and thereafter, in multiples of [●] Offer Shares. Applications for multiples of any other number of shares may be rejected or adjusted to conform to the required multiple, at the discretion of the Company.

Eligible Investors and Restrictions on Ownership………………	The Offer Shares may be subscribed for or held by any person of legal age or duly organized and existing corporations, partnerships or other corporate entities regardless of nationality, subject to the Company's right to reject an application or reduce the number of Offer Shares applied for subscription or purchase if the same will cause the Company to be in breach of the Philippine capital ownership requirements under relevant Philippine laws.
Procedure for Application……………..	Application forms to purchase Offer Shares may be obtained from the Lead Underwriter or any Selling Agent. All Applications shall be evidenced by the application to purchase form, accompanied (i) by one completed signature card which, for corporate and institutional Applicants, should be authenticated by the corporate secretary, and the corresponding payment for the Offer Shares covered by the Application and (ii) all other required documents. The duly executed Application form and required documents should be submitted during the Offer Period to the same office of the Lead Underwriter or the Selling Agent where it was obtained. If the Applicant is a corporation, partnership or trust account, the Application must be accompanied by the following documents: • A certified true copy of the Applicant's latest articles of incorporation and by-laws and other constitutive documents (each as amended to date) duly certified by its corporate secretary; • A certified true copy of the Applicant's SEC certificate of registration duly certified by its corporate secretary; and • A duly notarized corporate secretary's certificate setting forth the resolution of the Applicant's board of directors or equivalent body authorizing the purchase of the Offer Shares indicated in the Application, identifying the designated signatories authorized for the purpose, including his or her specimen signature, and certifying to the percentage of the Applicant's capital or capital stock held by Philippine citizens and/or corporations, if any. Foreign corporate and institutional Applicants which qualify as Eligible Investors, in addition to the documents listed above, are required to submit in quadruplicate a document signed by an authorized signatory setting out their representation and warranty that their purchase of the Offer Shares to which their Application relates will not violate the laws of their jurisdiction of incorporation or organization, and that they are allowed under such laws, to acquire, purchase and hold the Offer Shares. Submission of the completed Application to Purchase to the PSE Trading Participants or the Lead Underwriter shall constitute an

instruction and authority by the Applicant to the Company and/or the Lead Underwriter to execute any application form or other documents and generally to do all such other things as the Company and/or the Lead Underwriter may consider necessary or desirable to effect the registration in the name of the Applicant of the Offer Shares applied for, or any lesser number in respect of which an Application may be accepted in the stock and transfer book of the Company. The Applicant shall undertake to sign all documents and to do all other acts necessary to enable the Applicant to be registered as the owner of the Offer Shares applied for or any lesser number in respect of which an Application may be accepted, subject to the Articles of Incorporation and the Bylaws of the Company, and the laws of the Republic of the Philippines.

Payment Terms………… The Offer Shares must be paid in full upon submission of the Application. Payment must be made by personal check, corporate check, manager's check or cashier's check drawn against a bank account with a *Bangko Sentral ng Pilipinas*-authorized agent bank or any branch thereof located in Metro Manila to the order of "TVIRD IPO". The check must be dated as of the date of submission of the Application and crossed for deposit.

Acceptance/Rejection of Applications…………… The actual number of Offer Shares that an Applicant will be allowed to subscribe for in the Offer is subject to the confirmation of the Underwriter in consultation with the Company. Application shall be subject to the final approval of the Company. The Company reserves the right to accept or reject, in whole or in part, any Application due to any grounds specified in the Underwriting Agreement entered into by the Company and the Underwriter. Applications where checks are dishonored upon first presentation and Applications which do not comply with the terms of the Offer shall be rejected. Moreover, any payment received pursuant to the Application does not mean approval or acceptance by the Company of the Application.

An Application, when accepted, shall constitute an agreement between the Applicant and the Company for the subscription to the Offer Shares at the time, in the manner and subject to terms and conditions set forth in the Application and those described in this Prospectus. All Applications accepted by the Company may not be unilaterally revoked or cancelled by the Applicant, in full or in part, and the rights and privileges pertaining thereto are non-transferable.

Notwithstanding the acceptance of any Application by the Lead Underwriter or its duly authorized representatives, in consultation with the Company, the actual subscription and purchase by the Applicant of the Offer Shares will become effective only upon listing of the Offer Shares on the PSE and upon the obligations of the Lead Underwriter under the Underwriting Agreement becoming unconditional and not being suspended, terminated, cancelled, on or before the Listing Date,

	in accordance with the provisions of such agreement. If such conditions have not been fulfilled on or before the period provided above, all the application payments will be returned to the Applicants without interest and, in the meantime, said application payments will be held in a separate bank account with the Receiving Agent.
Refunds…………………	In the event that the number of Offer Shares to be received by an Applicant, as confirmed by the Underwriter, is less than the number covered by its Application, or if an Application is rejected by the Company, then the Underwriter shall refund, without interest, within five Banking Days from the end of the Offer Period, all or a portion of the payment corresponding to the number of Offer Shares wholly or partially rejected. All refunds shall be made through the Lead Underwriter or the Selling Agent with whom the Applicant has filed the Application, at the Applicant's risk.
Registration and Lodgment of Shares with PDTC…………………	The Offer Shares are required to be lodged with PDTC. The Applicants must provide the required information in the space provided in the Application to effect the lodgment. Failure to do so or the provision of incomplete or incorrect information may lead to the designation of BDO Securities Corporation as the default broker. The Offer Shares will be lodged with the PDTC at least two Trading Days prior to the Listing Date. The Applicant may request for the uplifting of their shares and to receive stock certificates evidencing their investment in the Offer Shares through his/her broker after the Listing Date. Any expense to be incurred by such issuance of certificates shall be borne by the Applicant.
Registration of Foreign Investments……………	The BSP requires that investments in shares of stock funded by inward remittance of foreign currency be registered with the BSP if the foreign exchange needed to service capital repatriation or dividend remittance will be sourced from the banking system. The registration with the BSP of all foreign investments in the Offer Shares will be the responsibility of the foreign investors. See "Philippine Foreign Investment, Exchange Controls and Foreign Ownership" on page [●] in this Prospectus.
Restrictions on Ownership………………	The Philippine Constitution and related statutes set forth restrictions on foreign ownership of companies engaged in certain activities. Because the Company is engaged in resource exploitation and mining activities by itself or indirectly through its subsidiaries, its foreign shareholdings may not exceed 40% of the issued and outstanding capital stock entitled to vote, and 40% of its total issued and outstanding capital stock, whether or not entitled to vote. For more information relating to restrictions on the ownership of the Offer Shares, see "[Philippine Foreign Investment, Exchange Controls and Foreign Ownership]" on page ● of this Prospectus.
Restriction on Issuance and Disposal of	Existing shareholders who own an equivalent of at least 10% of the issued and outstanding Common Shares of the Company

Shares………………......	prior to the Offer are required under the revised listing rules of the PSE applicable to companies applying for listing on the PSE Main Board, not to sell, assign or otherwise dispose of their Common Shares for a minimum period of 180 days after the Listing Date.

The Revised Listing Rules of the PSE also require that if there is any issuance or transfer of shares or securities (*i.e.*, private placements, asset for shares swap or a similar transaction) or instruments which lead to issuance of shares or securities (*i.e.*, convertible bonds, warrants or a similar instrument) done and fully paid for within 180 days prior to the start of the offering period, and the transaction price is lower than that of the Offer Price in the initial public offering, all shares or securities availed of shall be subject to a lock-up period of at least one year from listing of the shares or securities.

The following shareholders are covered by the lock-up requirement:

Shareholder	No. of Common Shares Covered by Lock-up Provision	Ownership Percentage	Lock-Up Period (Days)
PRHI	1,581,127,546	58.13%	180
TVIIM	708,634,114	26.05%	180

To implement this lock-up requirement, the PSE requires, among others, to lodge the shares with the PDTC through a participant of the PDTC system for the electronic lock-up of the shares or to enter into an escrow agreement with the trust department or custodian unit of an independent and reputable financial institution.

The Company, the Selling Shareholders and the individual shareholders listed above, being subject to the lock-up requirement, [will enter] [have entered] into an escrow agreement with BDO Universal Bank, Inc. – Trust and Investments Group as the escrow agent thereunder. See "Plan of Distribution" on page ● of thiss Prospectus for further details.

Listing and Trading……..	The Company's application for the listing of the Common Shares was approved by the PSE on [●]. All of the Common Shares in issue or to be issued including the Offer Shares are expected to be listed on the Main Board of the PSE on [December 18, 2015]. Trading is expected to commence on the same date.
Expected Timetable…….	The expected timetable of the Offer is tentatively scheduled as follows:

Start of Book Building …………	[November 02, 2015]
End of Book Building ……………	[February 15, 2016]

Pricing Date ………………………	[February 15, 2016]
Notification of Final Offer Price to PSE ………………………………	[February 15, 2016]
Start of the Offer Period …………	[February 16, 2016]
Deadline for Trading Participants' Submission of Undertaking to Purchase …………………………	[February 22, 2016]
Deadline for LSI and General Public's Submission of Application	[February 22, 2016]
End of Offer Period ………………	[February 22, 2016]
Listing Date and Commencement of Trading on the PSE ………………	[February 29, 2016]

SUMMARY FINANCIAL AND OPERATING INFORMATION

The following tables present summary financial information for the Company and should be read in conjunction with the report of independent auditors, Company's consolidated financial statements and notes thereto contained in this Prospectus and the section entitled "Management's Discussion and Analysis of Financial Position and Financial Performance."

The summary financial information presented below as at June 30, 2015 and December 31, 2014 and for the six months ended June 30, 2015 and 2014 (with comparative figures as at December 31, 2013 and 2012 and for the years ended December 31, 2014, 2013 and 2012) was derived from the [consolidated financial statements] of the Company, prepared in compliance with PFRS and audited by Isla Lipana & Co. They are not indicative of results of future operations.

Consolidated Statements of Total Comprehensive Income

(All amounts in thousands Philippine Peso, except per share data)

	For the six months ended June 30		For the years ended December 31		
	2015	**2014**	**2014**	**2013**	**2012**
Revenues					
Sale of nickel ore	504,604	-	391,328	-	-
Sale of copper and zinc concentrates	-	490,505	490,505	2,322,468	3,797,059
Drilling revenue	7,853	1,457	2,067	50,599	-
Royalty income	21,719	-	-	66,863	158,007
Other revenues	3,087	7,113	5,343	-	-
Total revenues	537,263	499,075	889,243	2,439,930	3,955,066
Cost and expenses					
Cost of sales and services	(352,514)	(555,534)	(623,311)	(2,296,321)	(3,051,960)
Operating expenses	(102,208)	(61,673)	(236,136)	(90,604)	(318,523)
Exploration costs	(4,984)	(5,555)	(8,166)	(9,806)	(159,303)
Total operating costs and expenses	(459,706)	(622,762)	(867,613)	(2,396,731)	(3,529,786)
Income (loss) from operations	77,557	(123,687)	21,630	43,199	425,280
Other operating income (expenses)	(13,338)	(19,660)	6,007	(30,395)	(35,914)
Finance costs and income					
Financing costs	(9,140)	(578)	(1,156)	(5,985)	(11,177)
Foreign exchange gain (loss), net	(4,577)	-	(8)	(1,661)	31,393
Interest income	2,922	749	2,681	6,670	36,528
Total other operating income/expenses, finance costs and income	(24,133)	(19,489)	7,524	(31,371)	20,830
Income (loss) before provision for tax	53,424	(143,176)	29,154	11,828	446,110
Provision for income tax	(1,815)	(125)	(809)	(2,257)	(1,499)
Net income (loss) for the year	51,609	(143,301)	28,345	9,571	444,611
Other comprehensive income (loss) that will not be subsequently reclassified to profit or loss					
Remeasurement gain (loss) on retirement benefits	1,911	17,621	11,812	(2,072)	(20,453)
Total comprehensive income (loss) for the year	53,520	(125,680)	40,157	7,499	424,158
Net income (loss) attributable to:					
Owners of the Parent Company	55,194	(143,301)	(8,533)	29,903	478,487
Non-controlling interest	(3,585)	-	36,878	(20,332)	(33,876)
	51,609	(143,301)	28,345	9,571	444,611
Total comprehensive income (loss) attributable to:					
Owners of the Parent Company	57,801	(125,680)	3,279	27,831	458,034
Non-controlling interest	(4,281)	-	36,878	(20,332)	(33,876)
	53,520	(125,680)	40,157	7,499	424,158
Earnings (loss) per share - basic and diluted	0.45	(1.17)	(0.07)	0.67	14.22

Consolidated Statements of Financial Position
(All amounts in thousands Philippine Peso)

	June 30, 2015	December 31 2014	2013	2012
A S S E T S				
Current assets				
Cash and cash equivalents	224,867	500,147	258,928	568,500
Receivables, net	496,660	321,067	63,180	263,626
Due from related parties	337	358	137	111,361
Inventories, net	134,386	158,472	399,665	331,364
Prepayments and other current assets, net	220,037	173,783	27,545	31,391
Total current assets	1,076,287	1,153,827	749,455	1,306,242
Non-current assets				
Property and equipment, net	689,969	456,718	328,040	572,544
Mining claims and deferred exploration costs, net	677,590	667,115	496,478	406,747
Option to purchase contracts	250,850	238,682	269,764	55,130
Retirement plan asset	23,765	25,390	12,262	-
Other non-current assets	134,659	134,161	130,945	131,475
Total non-current assets	1,776,833	1,522,066	1,237,489	1,165,896
Total assets	2,853,120	2,675,893	1,986,944	2,472,138
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	81,074	36,634	119,016	146,286
Due to related parties	6,721	828	16,189	289,297
Accrued expenses and other liabilities	248,733	308,310	325,313	109,730
Current portion of estimated liability for restoration costs	53,929	76,977	43,224	32,496
Current portion of borrowings	145,702	119,253	-	410,500
Income tax payable	-	3	1,395	417
Total current liabilities	536,159	542,005	505,137	988,726
Non-current liabilities				
Estimated liability for restoration costs, net of current portion	164,300	19,179	69,475	106,838
Borrowings, net of current portion	220,172	238,507	-	-
Deferred tax liability	-	6	-	-
Retirement benefit obligation	6,168	3,395	6,672	65,509
Total non-current liabilities	390,640	261,087	76,147	172,347
Total liabilities	926,799	803,092	581,284	1,161,073
Equity				
Attributable to owners of the Parent Company				
Share capital	153,222	153,222	129,240	35,409
Share premium	1,753,195	1,753,195	1,276,187	1,271,670
Treasury shares	(37,408)	(37,408)	-	-
Retained earnings	354,948	299,754	308,287	293,869
Other reserves	(330,929)	(332,840)	(344,652)	(345,512)
	1,893,028	1,835,923	1,369,062	1,255,436
Non-controlling interest	33,293	36,878	36,598	55,629
Total equity	1,926,321	1,872,801	1,405,660	1,311,065
Total liabilities and equity	2,853,120	2,675,893	1,986,944	2,472,138

Consolidated Statements of Cash Flows
(All amounts in thousands Philippine Peso)

	For the six month ended June 30		For the years ended December 31		
	2015	2014	2014	2013	2012
Cash flows from operating activities					
Income (loss) before provision for income tax	53,424	(143,176)	29,154	11,828	446,110
Adjustments for:					
Depreciation of property and equipment	40,234	30,068	52,243	281,279	385,101
Amortization of mining claims and deferred exploration costs	11,483	1,025	2,129	58,007	96,950
Accretion and restoration costs	3,540	1,090	2,181	2,787	35,119
Provision for (gain on) retirement benefits obligation	6,809	(6,681)	(1,292)	(71,116)	44,045
(Reversal of) Provision for impairment of input VAT	-	3,026	(125,198)	22,028	13,613
Write-back of accrued expense	(4,534)	-	(20,000)	-	-
Reversal of (Provision for) inventory obsolescence	-	-	(4,916)	4,794	10,212
Loss (gain) on disposal of property and equipment	2,345	-	9,723	1,783	(3)
Loss on write-off of investment in subsidiaries and receivables	-	-	-	-	1,440
Unrealized foreign exchange (gain) loss	3,683	39	(5,400)	6,772	(34,443)
Interest and other financing costs	9,140	578	1,156	5,985	11,177
Interest income	(2,124)	(749)	(2,681)	(6,669)	(36,528)
Operating income (loss) before working capital changes	124,000	(114,780)	(62,901)	317,478	972,793
Decrease (increase) in:					
Receivables	(176,177)	17,951	(257,888)	200,446	76,960
Due from related parties	20	(68)	3,278	106,442	243,615
Inventories	24,086	270,902	246,110	(73,096)	(38,924)
Prepayments and other current assets	(46,253)	9,396	(21,041)	(18,183)	(9,920)
Increase (decrease) in:					
Trade payables	(202,675)	(88,654)	(82,383)	(27,269)	(44,634)
Due to related parties	(46)	(1,274)	(49,083)	(275,524)	(748,208)
Accrued expenses and other liabilities	195,639	(262,886)	2,998	215,583	(1,995)
Cash generated from (absorbed by) operations	(81,406)	(169,413)	(220,910)	445,877	449,687
Restoration costs incurred	(23,049)	(8,617)	(18,724)	(29,422)	(43,594)
Retirement benefits paid directly	-	-	(370)	(556)	(177)
Contributions to the retirement fund	(500)	-	-	(1,500)	(54,885)
Interest received	2,124	749	2,681	6,669	3,241
Income taxes paid	-	(1,395)	(2,201)	(1,278)	(2,765)
Net cash provided by (used in) operating activities	(102,831)	(178,676)	(239,524)	419,790	351,507
Cash flows from investing activities					
Acquisitions of property and equipment	(134,249)	(38,524)	(190,644	(38,558)	(291,327)
Option to purchase contracts	(12,168)	(89,303)	31,08	(214,634)	(55,130)
Increase in:					
Mining claims and deferred exploration costs	(21,958)	(26,639)	(172,76	(147,738)	(171,675)
Other non-current assets	(500)	(85)	(3,214	530	(27,791)
Net cash used in investing activities	(168,875)	(154,551)	(335,54	(400,400)	(545,923)
Cash flow from financing activities					
Proceeds from borrowings	4,461	-	357,76	-	659,561
Payment of borrowings and financing costs	(9,327)	(578)	(1,15	(416,485)	(952,164)
Dividends paid	-	-	(4,08	(3,897)	(5,818)
Repurchase of shares	-	-	(37,40	-	-
Issuance of shares	-	447,435	500,9	90,848	493,505
Net cash provided by (used in) financing activities	(4,866)	446,857	816,0	(329,534)	195,084
Net increase (decrease) in cash and cash equivalents	(276,572)	113,630	241,0	(310,144)	668
Cash and cash equivalents at beginning of year	500,147	258,928	258,9	568,500	561,818
Net effect of foreign exchange rate changes on cash and cash equivalents	1,292	5	1	572	6,014
Cash and cash equivalents at end of year	224,867	372,563	500,14	258,928	568,500

Top Five Key Performance Indicators

TVIRD uses a range of financial and operational key performance indicators ('KPIs') to help measure and manage its performance. These KPIs reflect the Company's continuous focus on efficiency, cost control and safety across all its operations. The management also considers the following as KPIs:

(All amounts in thousands Philippine Peso, except EBITDA Margin and Return on Investment)

	For the six months ended June 30		For the years ended December 31		
KPIs	**2015**	**2014**	**2014**	**2013**	**2012**
EBITDA [1]	114,281	(111,505)	84,682	357,099	939,338
EBITDA Margin [2]	21.27%	-22.34%	9.52%	14.64%	23.75%
Free Cash Flow [3]	31,418	(140,152)	(48,880)	458,348	642,834
Mining cost per tonne on: [4]					
Copper & Zinc	-	60,182	44,100	70,684	60,487
Nickel (HFO & SO)	464	-	553	-	-
Return on Investment (ROI) [5]	2.72%	-9.17%	1.73%	0.70%	52.50%

[1] *EBITDA is defined as earnings before interest, tax, depreciation and amortization from continuing operations and before exceptional items. It predominately reflects the sales volumes and realized prices during the year, and is a key metric of performance.*

[2] *The EBITDA margin shows earnings before interest, tax, depreciation and amortization from continuing operations and before exceptional items as a percentage of revenue. It measures how efficiently revenue is converted into EBITDA from continuing operations.*

[3] *Free cash flow is calculated as net operating cash flow minus capital expenditure. Free cash flow represents the cash that a company is able to generate after investing to maintain or expand its asset base. It allows a company to enhance shareholder value through paying dividends, reducing debt or making acquisitions.*

[4] *Mining costs per tonne reflect the operating costs incurred in mining both gold, silver, nickel and limestone. It includes consumption of material and energy, services (excluding transportation), personnel and other operating expenses. It does not include depreciation and amortization. Unit costs are a basic measure of a company's effectiveness.*

[5] *Return on Investment is calculated the formula of Net Income divided by Average Stockholders' Equity. Return on Investment measures the amount of return on an investment relative to the investment's cost. It also reflects the profitability of stockholders' investment.*

RISK FACTORS

An Investment in the Offer Shares involves a number of risks. Prospective investors should carefully consider the risks described below, in addition to other information contained in this Prospectus, including the Company's financial statements and notes relating thereto, before making any investment decision relating to the Offer Shares. This section does not purport to disclose all the risks and other significant aspects of investing in the Offer Shares. The Company's past performance is not an indication of its future performance. The occurrence of any of the events discussed below and any additional risks and uncertainties not presently known to the Company or are currently considered immaterial could have a material adverse effect on the Company's business, result of operations, financial condition and prospects and could cause the market price of the Offer Shares to fall significantly and investors may lose all or part of their investment.

The price of securities can and do fluctuate, and the price of an individual security may experience upward or downward movements, and may even lose all of their value. There is an inherent risk that losses may be incurred rather than profits made as a result of buying and selling securities. There is an extra risk of loss when securities are bought from smaller companies. There may be a significant difference between the buying price and the selling price of these securities.

RISKS RELATING TO THE COMPANY'S BUSINESS

An Investment in the Offer Shares involves a number of risks. Prospective investors should carefully consider the risks described below, in addition to other information contained in this Prospectus, including the Company's financial statements and notes relating thereto, before making any investment decision relating to the Offer Shares. This section does not purport to disclose all the risks and other significant aspects of investing in the Offer Shares. The Company's past performance is not an indication of its future performance. The occurrence of any of the events discussed below and any additional risks and uncertainties not presently known to the Company or are currently considered immaterial could have a material adverse effect on the Company's business, result of operations, financial condition and prospects and could cause the market price of the Offer Shares to fall significantly and investors may lose all or part of their investment.

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PRUDENCE REQUIRED

This section does not purport to disclose all of the risks and other significant aspects of investing in these securities. Investors should seek professional advice regarding any aspect of the securities such as the nature of the risks involved in the trading of the securities, especially in the trading of high-risk securities. Investors should undertake independent research regarding the Company and the trading of securities before commencing any trading activity and may request all publicly available information regarding the Company and the Offer Shares from the SEC.

PROFESSIONAL ADVICE

An investor should seek professional advice if he or she is uncertain of, or has not understood any aspect of the securities to be invested in or the nature of the risks involved in holding and trading of such securities, especially in the trading of high-risk securities. Each investor should consult his or her own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of an investment in the Offer Shares.

RISKS RELATING TO THE COMPANY'S BUSINESS

The business of the Company is sensitive to the volatility in global metal prices.

The Company's revenue is dependent on global metal prices, which are subject to volatile price movements over time. A confluence of factors, most of which are beyond the Company's control, may affect global metal prices, such as global supply and demand, inflation or deflation, interest rates movements, foreign exchange fluctuations, market speculative activities and global or regional political and economic events, in general.

Significant declines in the prices of metals may render exploration, development, and production activities uneconomical until the prices recover and stabilize. Drastic price fluctuations may require adjustments to mine life estimates and may potentially result in material and adverse effects on the financial performance and standing of the Company.

The Company seeks to address this risk by adopting a flexible and nimble approach to its operations. In conjunction with constant monitoring of global market trends, the Company ensures that there are operational mechanisms in place to enable the Company to scale back or ramp-up operations in a timely manner, as warranted by prevailing or projected market conditions.

Mineral exploration is a highly speculative venture.

The exploration for and development of mineral deposits involve significant risks, which even a combination of careful evaluation, experience and knowledge may not completely eliminate. Mineral exploration and mining operations can be hampered by force majeure and other unforeseen circumstances beyond the control of the Company. While the discovery of an ore body may result in substantial rewards, few properties explored are ultimately developed into producing mines. Similarly, an apparently viable mineral deposit, even when identified, is no guarantee that the same can be harnessed profitably. Major expenses may be required to establish reserves by drilling, constructing mining and processing facilities at a site, connecting to a reliable infrastructure, developing metallurgical processes and extracting the minerals or metals.

The economic feasibility of mineral exploration and mining operations as development projects is based upon many factors, including but not limited to the accuracy of reserve/resource estimates; metallurgical recoveries; capital and operating costs; government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting, environmental protection; and market prices. Development projects are also subject to the successful completion of feasibility studies, issuance of necessary government permits and availability of adequate financing. Development projects have no operating history upon which to base estimates of future cash flow. Estimates of proven and probable reserves and cash operating costs are, to a large extent, based upon detailed geological and engineering analysis.

It is possible that actual costs and economic returns of current and new mining operations may differ materially from the Company's best estimates. It is not unusual for new mining operations to experience unexpected problems during the start-up phase and to require more capital than anticipated or experience higher operating costs. These uncertainties could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

The profitability of the Company ultimately depends on its ability to successfully explore and/or acquire reserves, design and construct efficient processing facilities, operate and manage its projects, and provide financial controls and management. The Company believes that its established and successful track record in exploration, development, and operation of mining properties render it capable of addressing and mitigating this risk.

The valuation of tenements and mineral reserves and resources are only estimates.

We note that although competent persons[3] have rendered expert knowledge on the availability of mineral resource and reserve in the project areas of the Company, there is a degree of uncertainty with respect to the calculations of mineral reserves and mineral resources and corresponding grades being mined or dedicated to future production. Until mineral reserves or mineral resources are actually mined and processed, any reported quantity of mineral resources and mineral reserve grades must be considered as mere estimates. Furthermore, fluctuations in the market price of copper and gold, increased capital or production costs or reduced recovery rates, change to life of mine plans, and changes in applicable laws and regulations (including environmental laws and regulations) may render projects uneconomical. The extent to which resources may ultimately be reclassified as proved or probable reserves is dependent upon the determination of their profitable recovery, which may change over time based on economic and technological factors. Accordingly, no assurances can be given that any reserve estimates will not be reduced in the future or that any resource estimates will ultimately be reclassified as proven or probable reserves. If the reserve or resource figures are reduced in the future, this could have an adverse impact on the Company's mining business, financial condition, results of operations and prospects. Prospective investors and their advisors should make their own assessment as to the value of the Company's tenements.

To manage this risk, the Company employs a team of experienced technical professionals (including persons who qualify as Competent Persons under the Philippine Mineral Reporting Code) and occasionally engages the services of competent third party consultants to assess the value of mineral tenements. The mineral ore reserve estimates in the Competent Person's Report have been calculated in accordance with the Philippine Mineral Reporting Code.

Actual production may not meet the Company's estimates, which could have an adverse impact on the Company's business, results of operations and financial condition.

The Company prepares estimates of future production and future production costs for operations. No assurance can be given that production estimates will be achieved. The accuracy of these production estimates are based on, among other things, the following factors: reserve estimates, assumptions regarding group conditions and physical characteristics of ore materials, such as the presence or absence of particular metallurgical characteristics, and estimated rates and costs of mining.

Actual production may vary from estimates for a variety of reasons, including actual ore mined, varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics, short-term operating factors relating to the mineral ore reserves, such as the need for sequential development of mineral ore bodies and the processing of new or different mineral ore grades, risk and hazards associated with mining, natural phenomena, such as inclement weather conditions,

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[3] The competent persons and independent third parties who made estimates as to the amount of reserves and resources available in the Company's various projects were as follows:

(i) For the Agata DSO Project, the competent person who rendered the technical reports on the resources was Dr. Carlo A. Arcilla, while the technical report on the reserves was prepared by Engr. Orlando S. Cruz.

(ii) For the Agata Limestone Project, the competent person who prepared the technical report on the resources was Mr. Jaime C. Zafra, while the technical report on the reserves was prepared by Engr. Orlando Cruz.

(iii) For the Balabag Gold-Silver Project, the competent person who prepared the technical report on the resources was Mr. Leo A. Sosa, while the technical report on the reserves was prepared by Engr. Marcelo A. Bolaño. Mr. Jake G. Foronda prepared the feasibility study on ore processing.

earthquakes, landslides and erosion, and unexpected inability to obtain equipment, spare parts, labor shortages or strikes.

A failure by the Company to achieve its production estimates could have an adverse impact on its business, results of operations and financial conditions.

Mineral reserves estimates for the Company's various mining tenements have been certified by a Qualified Person according to Canadian National Instrument 43-101 standards or by a Competent Person per the Philippine Mineral Reporting Code, or both, in order to minimize the risk of inaccuracy in the estimation of mineral reserves. The costs used in determining the reserves also include contingency for uncertainties.

During the course of operations, actual mined amounts are compared with the amount indicated as reserves in the technical reports and a regular reconciliation report is prepared to monitor variations and make necessary adjustments. Likewise, engineering and production plans are regularly reviewed to optimize operations in response to significant changes in prices of commodities, ore characteristics, or safety and environmental concerns.

In order to mitigate the effect of variations in the physical and metallurgical characteristics of the ore, a process control group is integrated into the operations with a laboratory that is equipped to analyze and test for optimum operating conditions.

As for the effects of variations in the cost of mining operations, there is close association with suppliers and vendors as well as fuel providers to keep unit costs, rental and service rates competitive. Where economical, self-owned equipment fleets are utilized.

The Company tempers its exposure to these risks by exercising prudent management and using up-to-date technology. Furthermore, the Company exercises care and prudence in its production and projections to ensure it meets its contractual commitments.

Implementation of an export ban on mineral ore by the Philippine Government may materially and adversely affect our business, results of operations and financial condition.

A bill relating to the adoption of a mineral ore ban in the Philippines has been filed and is currently pending in the Philippine Congress to adopt a mineral ore export ban in the Philippines, in part to force miners to build processing facilities and to create employment for the local population; the filed bill provides for a seven-year implementation period. In the event that this bill is passed and the export ban is implemented, the Company would be forced to terminate trade with all international customers accounting for 57% of the Company's total revenue. This would materially affect the Company's revenue stream, results of operations and financial condition, and likewise impede the Company's ability to successfully pursue the Agata DSO Project.

To mitigate this risk, the Company intends to continue to develop and grow its existing mineral portfolio, including, in particular, to develop the Agata Nickel Processing Project parallel to the Agata DSO Project. The Company believes that by increasing the contribution of the Company's mineral processing business to the Company's revenue, the Company would be able to sufficiently offset any potential loss of revenue arising from the implementation of any mineral export ban in the Philippines.

Drastic changes in or severe weather conditions may adversely affect the business operations of the Company.

Global environmental changes have resulted in unpredictable shifts in weather patterns all over the world. The Philippines is no exception, having been severely affected by strong and continued monsoons, occasional "super typhoons" (such as Typhoon Yolanda in 2013) and other extreme weather disturbances. Any prolonged operational disruptions brought about by unforeseen or severe weather conditions during this period could lessen the number of mining days, which in turn may cause material adverse effect on the Company's operational results, and consequently, its profitability.

To mitigate this risk, weather and tectonic risks are factored into the infrastructure design and production scheduling based on approved engineering codes and best practices. The company also subscribed to local and international weather forecast platforms to guide its operational scheduling. Adequate insurances have also been acquired by the Company to cover this risk, which include business interruption insurance and fire & allied perils insurance. These are being done to reduce, if not eliminate, accidents and delays attributed to natural causes.

The Company maintains insurance to cover some of these risks and hazards in amounts it believes to be reasonable, however, such insurance may not provide adequate coverage in all circumstances.

Mining operations require a significant amount of funding, and any difficulty in obtaining future financing at acceptable terms or at all, could cause the Company to postpone development plans, forfeit rights in its mining properties or joint ventures or reduce or terminate certain mining operations, any of which could have an adverse impact on our business, results of operations and financial conditions.

The Company requires a significant amount of funds to meet its capital expenditure requirements. For instance, in fiscal year 2013, the Company's capital expenditures amounted to ₱400.4 million, while in fiscal year 2014, capital expenditures amounted to ₱335.542 million; for fiscal year 2015, the Company's budgeted capital expenditure is expected to be approximately ₱222.746 million for existing operations. In addition, the further development and exploration of mineral properties in which the Company holds interests or which the Company may acquire may depend upon its ability to obtain financing through joint ventures, debt financing, equity financing or other means. There is no assurance that the Company will be successful in obtaining required financing as and when needed. Volatile global metal prices and markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favorable terms or at all. The Company's principal operations are located in, and its strategic focus is on, the Philippines - a country that has experienced past economic and political difficulties and may be perceived as unstable. This may make it more difficult for the Company to obtain debt or equity financing.

The failure of the Company to obtain additional financing on a timely basis may cause the Company to postpone development plans and modify capital expenditure budgets, forfeit rights in its mining properties or joint ventures or reduce or terminate its operations. Reduced liquidity or difficulty in obtaining future financing could have an adverse impact on the Company's business, results of operations and financial condition.

To mitigate this risk, the Company conducts various assessments on its various tenements to determine which projects have more potential to be successful, thereby maximizing the company's limited resources. Moreover, the Company reserves some of its internally-generated funds to finance at least the initial exploratory stage of the projects.

Furthermore, the Company cultivates strong relationships with its partner banks. The Company believes that it has always demonstrated caution in its financial management as it strives to be efficient and effective in utilizing its capital.

Changes in government regulation may adversely impact the business operations of the Company.

Mining is a highly-regulated industry. The Company is required to comply with numerous laws and regulations and secure various permits and licenses from national and local government agencies in order to lawfully carry-out exploration, production, and shipping activities. Compliance with these laws and regulations involves substantial costs. It is possible that the costs, delays and other effects associated with these laws and regulations may impact the Company's decision whether to continue to operate existing mines, refining and other facilities or whether to proceed with exploration or development of properties. For instance, failure of the Company to obtain the prerequisite permits and licenses on a timely basis may result in significant delays and/or curtailment in operations.

The Company likewise expends significant financial and managerial resources to comply with a complex set of environmental, health and safety laws, regulations, guidelines and permitting requirements applicable to mining operations in the Philippines. The Company anticipates that it will be required to continue to do so in the future as the recent trend towards stricter environmental laws is likely to continue. The possibility of more stringent laws or more rigorous enforcement or new judicial interpretation of existing laws exists in the areas of worker health and safety, the disposition of waste, the decommissioning and rehabilitation of mining sites and other environmental matters, each of which could have a material adverse effect on the Company's exploration or other mining operations or the cost or the viability of a particular project.

Since legal requirements change from time to time, are subject to interpretation, and may be enforced to varying degrees in practice, the Company is unable to predict the ultimate cost of compliance with these requirements or their effect on operations. Furthermore, changes in governments, regulations and policies and practices could have an adverse impact on its business, results of operations and financial condition.

To mitigate this risk, the Company has adopted a highly stringent Health, Safety, Environment, and Security Management System as an integral part of its operations in order to reduce, if not eliminate, the likelihood of operational accidents, work-related health issues, security incidents, and environmental incidents. This management system includes a dedicated Safety and Health program, Environmental Protection and Enhancement Program, and a Security Plan. The aim of the system is the elimination of risks by being preventive, rather than reactive, to incidents. The Company also secures various insurances that cover business interruption, fire, sabotage & terrorism and general liability.

In order to respond to changes in government regulations, which could have an adverse impact on its business, the Company also employs a team of experienced senior environmental personnel who monitor compliance and ensure its continued compliance with safety, health, environmental laws, and regulations. The Company likewise keeps itself abreast of latest technologies that enable it to continue its business operations under the highest standards of health and safety practices for its workers and its host community.

Mining operations are hazardous and are subject to risks that could lead to unexpected production delays, increased costs, damage to property or injury to persons or casualties.

The Company's mining operations, as with those of other companies engaged in mining operations, are subject to all of the hazards and risks generally associated with the exploration, development and production of natural resources, any of which could result in production shortfalls or damage to persons or properties. Hazards associated with the Company's [open pit mining operations] include the collapse of the open pit wall, accidents associated with the operations of [large open pit mining] and ore handling equipment and production disruptions due to inclement weather.

The Company is at risk of experiencing any, some or all of these hazards. The occurrence of any of these hazards could result in material damage to, or the destruction of, mineral properties, human exposure to pollution, personal injury or casualty, environmental or natural resource damage, delays to production or shipping, reduced sales, increased costs and losses associated with remedying the situation, as well as potential legal liability for the Company. The liabilities resulting from any of these risks may not be adequately covered by the Company's existing insurance, and no assurance can be given that the Company will be able to obtain additional insurance coverage at rates the Company considers to be commercially reasonable. The Company may therefore incur significant costs that could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company maintains insurance to cover some of these risks and hazards in amounts it believes to be reasonable, however, such insurance may not provide adequate coverage in all circumstances.

The pendency of the moratorium on the grant of new mining concessions could prevent the Company from entering into new mineral agreements for certain of its exploration prospects.

The Company has several applications for exploration permits and mineral agreements pending with the DENR and the MGB. While these mining applications authorize the Company to undertake preliminary exploration works within the areas subject of the relevant applications, each such application must first be converted into a mineral agreement, such as a mineral production sharing agreement ("MPSA"), before the Company may engage in full-scale mining operations (*e.g.*, mining resource extraction, development and operations other than exploration) within such areas.

However, as of the date of this Prospectus, the President of the Philippines, through Executive Order No. 79 ("EO 79"), has imposed a moratorium on the issuance or the execution of new mineral agreements until new legislation rationalizing existing revenue sharing schemes and mechanisms shall have been passed and taken effect.

If the moratorium on the issuance or the execution of new mineral agreements is not cancelled, terminated, or otherwise lifted by the Philippine Government, or no new legislation on the revenue sharing arrangements for mineral agreements is timely passed, the Company will not be able to enter into the appropriate mineral agreements authorizing it to undertake full-scale mining operations within the areas covered by its existing exploration permits and applications for mineral agreements, and its operations within such areas will be limited to exploration activities as provided under the Company's existing permits or applications.

The Company fully supports the mining industries attempt to lift E.O. 79. For the meantime, the Company is aggressively looking for acquisition, whether direct or via joint-venture, any valid and existing MPSAs, which has potential to add value to the Company.

Fluctuation in foreign currency exchange rates could reduce the Company's revenue in Peso terms.

The Company is exposed to foreign currency risk arising from currency exposures, primarily with respect to US Dollars. Exposures to other currencies are not significant. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities.

The Company minimizes foreign currency risks by carefully planning the timing of settlement of foreign currency denominated balances. Risk management is carried out by management by closely monitoring changes in foreign exchange rates by obtaining current forecast exchange movements from banks in a timely manner and as for other information such as inflation rates and interest rate differentials.

RISKS RELATING TO THE PHILIPPINES

General economic conditions may have an adverse impact on the Company's activities and financial performance.

General economic factors such as inflation, currency exchange, industrial disruption and interest rate fluctuations, government policy and regulations, commodity prices and, to a certain extent, stock market prices may have an adverse impact on the exploration and production activities of the Company, on its ability to fund its activities and on the financial performance of the Company. The Company tempers its exposure to these risks by exercising prudent management. The Company also ensures that there are operational mechanisms in place to enable the Company to scale back or ramp up operations in a timely manner as warranted by prevailing or projected economic conditions.

The political and social conditions may have an adverse impact on the Company's results of operations and financial performance.

There can be no assurance that the political environment in the Philippines will be stable or that the current or any future government will adopt economic policies conducive to sustained economic growth in the Philippines. Any political instability, including major public protests or the involvement of the military in politics, and terrorist activities, may have an adverse effect on the Company's results of operations and financial conditions. The Company tempers its exposure to these risks by exercising prudent management and adopting a flexible and nimble approach to its operations.

Activities in conflict areas may have an adverse impact on the Company's results of operations and financial performance.

The Philippines has been subject to sporadic attacks in the past several years.

The Company's assets could be vulnerable to attacks due to their significant impact on local and national economic activity. The occurrence of an attack at one of the Company's assets could have a significant negative impact on the Company's business. There can be no assurance that the Philippines will not be subject to further criminal activities in the future, and violent acts arising from, and leading to, instability and unrest may have a material effect on the Company's financial condition, results of operations and prospects.

The revolutionary/secessionist group population areas and political strongholds are not close to any of the company's operating areas, especially the Balabag Gold-Silver Project and Agata Project, with the exception of some small revolutionary/secessionist group communities in the vicinity of Santa Maria Port in Siocon – the Canatuan Project's host municipality. Relations with these communities are strong, owing to a long history of community development projects and employment.

Accordingly, TVIRD does not see any present or future security threat being directed at the company by any revolutionary/secessionist group. Nevertheless, the Company will continue high levels of vigilance in security management.

To curtail possible attacks, the Company deploys trained personnel to provide security at its mining sites. TVIRD is also in close contact and cooperation with police and military personnel stationed in the area. TVIRD likewise maintains terrorism and sabotage insurance to cover risk of losses resulting from terrorist acts in amounts in believes to be reasonable.

The sovereign credit ratings of the Philippines may have an adverse impact on the Company's business and financial performance.

Historically, the Philippines' sovereign debt has been rated relatively low by international credit rating agencies. The Philippines has recently received its first ever investment grade rating from a major international credit rating agency, Fitch, while Moody's and S&P rate the Philippines one notch below investment grade. However, no assurance can be given that these agencies will not downgrade the credit ratings of the Philippine government in the future, and therefore, Philippine companies, including the Company. Any such downgrade could have an adverse impact on the liquidity in the Philippine financial markets, the ability of the government and Philippine companies, including the Company, to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. The Company tempers its exposure to these risks by exercising prudent management.

The occurrence of natural catastrophes may disrupt the Company's business operations.

The Philippines has experienced a number of major natural catastrophes over the years, including volcanic eruptions and earthquakes, which may materially disrupt and adversely affect our business operations. In particular, damage caused by natural catastrophes could result in cancellation of flights, temporary closure of major roads and highways or other disruptions to transportation, which would prevent us from mining and extracting the minerals from our mining sites in a timely manner or at all. To minimize its exposure to such risks, the Company maintains insurance to cover some of these risks and hazards in amounts it believes to be reasonable. Nevertheless such insurance may not provide full compensation for all the damages and economic losses which may result from these catastrophes.

The international boundary dispute between the Philippines and China may have an adverse impact on the Company's results of operations and financial performance.

The Philippines and China have been engaged in a series of long standing territorial disputes over certain islands in the West Philippine Sea, also known as the South China Sea. Despite efforts to reach a compromise, a dispute arose between the Philippines and China over a group of small islands and reefs known as the Scarborough Shoal. In April and May 2012, the Philippines and China accused one another of deploying vessels to the shoal in an attempt to take control of the area, and both sides unilaterally imposed fishing bans at the shoal in late 2012. These actions threatened to disrupt trade and other ties between the two countries, including a temporary ban by China on Philippine banana imports, as well as a temporary suspension of tours to the Philippines by Chinese travel agencies. Since July 2012, Chinese vessels have reportedly turned away Philippine fishing boats attempting to enter the shoal, and the Philippines has continued to protest China's presence there. In January 2013, the Philippines sent notice to the Chinese embassy in Manila that it intended to seek international arbitration to resolve the dispute under the United Nations Convention on the Law of the Sea. China has rejected and returned the notice sent by the Philippines requesting arbitral proceedings. Chinese vessels have also recently confronted Philippine vessels in the area, and the Chinese government has warned the Philippines against what it calls provocative actions. Recent talks between the Philippine Government and the United States of America about increased American military presence in the country, particularly through possible American forays into and use of Philippine military installations, may further increase tensions.

Should territorial disputes between the Philippines and China continue or escalate further, the Philippines and its economy may be disrupted and the Company's operations could adversely affected as a result. In particular, further disputes between the Philippines and China may lead to reciprocal trade restrictions on the other's imports or suspension of visa-free access and/or overseas foreign worker permits. Any impact from these disputes with China, where the Company exports a significant portion of its products, could materially and adversely affect the Company's business, results of operations and financial condition.

RISKS RELATING TO THE OFFER AND THE OFFER SHARES

The market price of securities can and does fluctuate. The Offer Shares have not been publicly traded and the relative volatility and illiquidity of the Securities market may substantially limit investors' ability to sell the Offer Shares at a suitable price or at a time they desire.

The market prices of securities can and do fluctuate, and it is impossible to predict whether the price of the Offer Shares will rise or fall. An individual security may experience upward or downward movements, and may even lose all its value. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. There may be a substantial difference between the buying price and the selling price of such securities. Trading prices of the Offer Shares will be influenced by, among other things:

- Variations in the Company's operating results;
- Success or failure of the Company's management team in implementing business and growth strategies;
- Gain or loss of an important business relationship;
- Changes in securities analysts' recommendations, perceptions or estimates of the Company's financial performance;
- Changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other events or factors;
- Differences between the Company's actual financial operating results and those expected by investors and analysts;
- Additions or departures of key personnel;
- Changes in general market conditions and broad market fluctuations; and
- Involvement in litigation.

These fluctuations may be exaggerated if the trading volume of the Company's Common Shares is low.

The Securities market is substantially smaller, less liquid, and more volatile than major securities markets in the United States and other jurisdictions, and is not as highly regulated or supervised as some of these other markets. The Offer Price [has been] [will be] determined by the Company in consultation with the Issue Manager and Lead Underwriter, and could differ significantly from the price at which the Offer Shares will trade subsequent to the completion of the Offer. There can be no assurance that after the Offer Shares have been approved for listing on the PSE, an active trading market for the Offer Shares will develop or be sustained after the Offer, or that the Offer Price will correspond to the price at which the Offer Shares will trade in the Philippine public market subsequent to the offer. There is no assurance that investors may sell the Offer Shares at prices or at times deemed appropriate.

There can be no guarantee that the Offer Shares will be listed on the PSE

Subscribers of the Offer Shares are required to pay for their purchase upon submission of their Applications during the Offer Period. [The PSE has approved] [Even assuming approval by the PSE of] the Company's application to list the Offer Shares, [but] the Listing Date is [will be] scheduled after the Offer Period. The Company has taken steps to ensure that it fully complies with the registration and listing requirements and regulations in order to ensure that the Offer Shares will be listed on the PSE. However, there can be no guarantee that listing will occur on the anticipated Listing Date or at all. Delays in admission and commencement of trading in shares on the PSE have occurred in the past. If the PSE does not admit the Offer Shares onto the PSE, the market for the Offer Shares will not be liquid and investors may not be able to trade the Offer Shares. However, they would be able to sell their Shares by negotiated sale. This may materially and adversely affect the value of the Offer Shares.

There may be no liquidity in the market for the Offer Shares and the price of the Offer Shares may fall.

The Offer Shares will be listed in the PSE where trading volumes have been historically and significantly smaller and highly volatile compared to major securities markets in more developed countries. There can be no assurance that an active market for the Offer Shares will develop following the Offer or, if developed, that such market will be sustained.

The Offer Price will be determined after taking into consideration a number of factors including, but not limited to, the Company's prospects, the market prices for shares of comparable companies and prevailing market conditions. The price at which the Offer Shares will trade on the PSE at any point after the Offer may vary significantly from the Offer Price.

Foreign ownership limitations may affect the liquidity of the market for the Offer Shares.

The Constitution and other related statutes restrict the exploration, development, and utilization of natural resources, as well as, ownership of private lands to Philippine Nationals. The term "Philippine National" as defined under the Foreign Investments Act (Republic Act No. 7042, as amended) means a citizen of the Philippines, or a domestic partnership or association wholly-owned by citizens of the Philippines, or a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines, or a corporation organized abroad and registered to do business in the Philippines under the Corporation Code, of which 100% of the capital stock outstanding and entitled to vote is wholly-owned by Filipinos or a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine National and at least 60% of the fund will accrue to the benefit of Philippine Nationals. Foreign equity participation in entities such as the Company, which is engaged in exploration, development, and utilization of natural resources and ownership of private lands, is limited to a maximum of 40%. By way of exception, however, foreign corporations are allowed to enter into FTAAs with the State for large-scale mining. Therefore, to the extent that foreign investors' ability to buy the Offer Shares is limited, these restrictions may affect the liquidity of the Offer Shares.

Future sales of Common Shares in the public market could adversely affect the prevailing market price of the Common Shares and shareholders may experience dilution in their holdings.

In order to finance the expansion of the Company's business and operations, the Company's board of directors will consider all funding operations available to the Company at the time, which may include the issuance of new Common Shares. If additional funds are raised through the issuance of new equity or equity-linked securities by us other than on a pro rata basis to existing shareholders, the percentage ownership of the shareholders may be reduced, shareholders may experience subsequent dilution and/or such securities may have rights, preferences and privileges senior to those of the Common Shares.

Further, the market price of the Common Shares could decline as a result of future sales of substantial amounts of the Common Shares in the public market or the issuance of new Common Shares, or the perception that such sales, transfers or issuances may occur. This could also materially and adversely affect the prevailing market price of the Common Shares or the Company's ability to raise capital in the future at a time and at a price the Company deems appropriate.

Investors in the Offer Shares will face immediate and substantial dilution in the net asset value per Offer Share and may experience future dilution.

The Offer Price is substantially higher than the net book value per share of ₱0.79 per share[4] as at June 30, 2015. Thus, there will be an immediate and substantial dilution in the net asset value per share to new investors. See "Dilution" on page ● of this Prospectus.

[4] This value assumes that the SEC has approved the change of the par value of the Company's Common Share from ₱1.00 to ₱0.05 per Common Share.

USE OF PROCEEDS

Assuming a maximum Offer Price of ₱3.71 per Primary Offer Share, the Company expects to raise from the Primary Offer gross proceeds of approximately ₱1.01 billion. After deducting fees, taxes and other expenses related to the Offer and payable by the Company as set out below, the net proceeds of the Primary Offer will be approximately ₱928.80 million. The Company will not receive any proceeds from the Secondary Offer.

The costs and expenses to be incurred by the Company for the Offer will be approximately ₱120.56 million, consisting of:

	Rate	Primary	Secondary	Total
Gross Proceeds		₱1,009,197,910	₱504,600,810	₱1,513,798,720
Estimated Offer expenses:				
PSE listing and processing fees	0.50%	5,057,767	2,528,884	7,586,651
SEC registration fees and confirmation of exempt transaction fees	0.07%	658,220	329,110	987,330
Underwriting and selling commission fees	2.96%	29,841,910	14,920,955	44,762,865
Estimated professional and accounting fees	0.30%	3,000,000	1,500,000	4,500,000
Estimated fee of [Stock Transfer Agent and Receiving Agent]	0.03%	333,333	166,667	500,000
Estimated costs of printing and marketing	0.07%	733,333	366,667	1,100,000
Documentary stamp tax	0.00%	68,005	-	68,005
IPO Tax	4.00%	40,367,966	20,183,983	60,551,949
Miscellaneous expenses	0.03%	333,333	166,667	500,000
Total Offer Expenses	7.96%	80,393,869	40,162,932	120,556,801
Estimated Net Proceeds		**₱928,804,041**	**₱464,437,878**	**₱1,393,241,919**

The Company intends to use the net proceeds from the Primary Offer to fund certain capital expenditures for the construction, development and operation of the Balabag Gold-Silver Project, summarized as follows:

	In US$				In ₱			
Actual Year	**Q1 2016**	**Q1 2017**	**Q1 2018**	**Total**	**Q1 2016**	**Q1 2017**	**Q1 2018**	**Total**
Predevelopment Cost	1,000,000	-	-	1,000,000	45,090,000	-	-	45,090,000
Mine Development & Pre Stripping	4,000,000	-	-	4,000,000	180,360,000	-	-	180,360,000
Plant & Mill Infrastructure	10,000,000	-	-	10,000,000	450,900,000	-	-	450,900,000
Tailings Storage Facility (TSF)	5,000,000	3,000,000		8,000,000	225,450,000	135,270,000	-	360,720,000
Waste Dump		300,000	300,000	600,000	-	13,527,000	13,527,000	27,054,000
Total	20,000,000	3,300,000	300,000	23,600,000	901,800,000	148,797,000	13,527,000	1,064,124,000
Contingency	1,405,644	231,931	21,085	1,658,660	63,380,508	10,457,784	950,708	74,789,000
Grand Total	**21,405,644**	**3,531,931**	**321,085**	**25,258,660**	**965,180,508**	**159,254,784**	**14,477,708**	**1,138,913,000**

The contingency fund of the Company is further broken down as follows:

	In US$				In ₱			
	2016	**2017**	**2018**	**Total**	**2016**	**2017**	**2018**	**Total**
Price increase in materials/contractors	800,000	132,000	12,000	944,000	36,072,000	5,951,880	541,080	42,564,960
Cost increase due to Peso depreciation for imported materials	400,000	66,000	6,000	472,000	18,036,000	2,975,940	270,540	21,282,480
Incidental charges for shipping cost such as Insurances, etc.	205,644	33,931	3,085	242,660	9,272,508	1,529,964	139,088	10,941,560
Total	**1,405,644**	**231,931**	**21,085**	**1,658,660**	**63,380,508**	**10,457,784**	**950,708**	**74,789,000**

The two biggest capital items of the Balabag Gold-Silver Project (the Mill and the TSF) represent 78% of the total US$23.60 million ($25.26 million including contingency) investment. The Plant and Mill costing (estimated to be at US$10.00 million) does not include the US$3.78 million value of the Canatuan Mill equipment to be transferred to Balabag. New equipment to be acquired by the Company in order to complete the Mill is expected to cost approximately US$4.32 million, and the installation of these equipment, including electrical, electronics and mechanical equipment and tools, is expected to amount to US$4.21 million. The balance of US$1.56 million will be spent for detailed engineering, equipment training, and rehabilitation of some Canatuan equipment, all of which will be substantially done by the Company in-house.

The second critical expenditure, the TSF, is expected to cost US$8.0 million and this expenditure will include construction of a 1.33 million cu.m. dam embankment and a spillway for the Company's mining operations for the Balabag Gold-Silver Project. A sunk cost of US$13.47 million (₱561 million) for exploration with drilling from 2005 to 2011 was not included in the project capital cost.

The foregoing discussion represents a best estimate of the use of proceeds of the Offer based on the Company's current plans and anticipated expenditures, and the actual amount and timing of disbursement of the net proceeds from the Primary Offer will depend on various factors which include, among others, changing market conditions or new information regarding the cost or feasibility of the Company's expansion plans and projects. Actual allocation of net proceeds by the Company may vary from the foregoing discussion as the Company's management may find it necessary or advisable to reallocate the net proceeds within the categories described above or to use such net proceeds for other corporate purposes. In the event that there is any change in the Company's development plan, including *force majeure* and circumstances, such as (i) failure to obtain requisite approvals, (ii) changes in government policies that would render any of the above plans not commercially viable, the Company will carefully evaluate the situation and may reallocate the proceeds for future investments and/or hold such funds on short term deposit, whichever is better for the Company's and its shareholders' collective interest. In such event, the Company will issue a public disclosure if there is any change in the above proposed use of proceeds and shall accordingly inform the SEC, the PSE and its shareholders at least 30 days prior to its implementation.

In the event that the actual expenses are more than the estimates, or the actual net proceeds are less than the projected net proceeds, the Company will utilize said net proceeds based on their order of priority and will use internally-generated funds and bank loans to finance the shortfall, or delay or abandon one or more of the components of its plans. In such an event, the Company shall inform the SEC, the PSE and its shareholders at least 30 days prior to its implementation.

In the event of any significant deviation, material adjustment or reallocation in the planned use of proceeds, the Company will secure the approval of its Board of Directors for such deviation, adjustment or reallocation and promptly make the appropriate disclosures to the SEC and the PSE. The Company shall regularly disclose to the PSE, through the PSE Electronic Disclosure Generation Technology ("PSE EDGE"), any disbursements from the proceeds generated from the Offer. In addition, the Company shall likewise submit via the PSE EDGE the following disclosure to ensure transparency in the use of proceeds:

1. Any disbursements made in connection with the planned use of proceeds from the Offer;
2. Quarterly Progress Report on the application of the proceeds from the Offer on or before the first 15 days of the following quarter;
3. Annual Summary of the application of proceeds on or before January 31 of the year following the initial public offering;
4. Approval by the Company's Board of Directors of any reallocation on the planned use of proceeds, or of any change in the work program. The actual disbursement or implementation of such reallocation will be disclosed by the Company at least 30 days prior to the said actual disbursement or implementation;
5. Certification by the Company's Chief Financial Officer or Treasurer and of an external auditor on the accuracy of the information reported by the Company to the PSE in the quarterly and annual reports; and
6. A comprehensive report on the progress of its business plan on or before the first 15 days of the following quarter.

[Except as otherwise disclosed in this Prospectus, none of the proceeds from the Primary Offer will be used to reimburse any officer, director, employee or shareholder of the Company for services, assets or money previously rendered, transferred, advanced or otherwise.]

DESCRIPTION OF THE SHARES

SHARE CAPITAL INFORMATION

As of the date of this Prospectus, the Company has an authorized capital stock of ₱500,000,000 divided into 500,000,000 common shares with a par value of ₱1.00 per share. On September 24, 2015, the Board of Directors of the Company and shareholders representing at least 2/3 of the outstanding capital stock of the Company approved certain amendments to the Company's Articles of Incorporation and Bylaws, including the reclassification of a portion of its authorized common capital stock into preferred shares and the change in the par value of the Company's common shares from ₱1.00 to ₱0.05 per share. On [October 7, 2015], the Company filed an application with the Securities and Exchange Commission ("SEC") for the approval of the foregoing amendments.

Assuming approval by the SEC of the amendments to the Company's Articles of Incorporation and Bylaws, the Company will have an authorized capital stock of ₱500,000,000 consisting of 9,600,000,000 Common Shares with a par value of ₱0.05 per Common Share and 2,000,000,000 preferred shares (the "Preferred Shares") with a par value of ₱0.01 per Preferred Share.[5]

The subscribed capital stock of the Company is ₱153.22 million worth of Common Shares with paid-up capital ₱1,869.01 million of the Company. The difference of ₱1,753.20 million and ₱37.41 million refer to share premium/additional paid-in capital and treasury shares, respectively.[6]

Each Common Share and Preferred Share is entitled to one vote.

Preferred Shares are not entitled to participate in dividends declared by the Corporation, but is entitled to a fixed cumulative dividend rate of seven percent (7%) per annum. In the event of the Company's liquidation, voluntary or involuntary dissolution, liquidation, distribution of assets or winding-up, if after paying the debts and liabilities of the Company there are insufficient assets to pay for and liquidate all the shares of the Company, the holders of the Preferred Shares will be paid the par value of the preferred shares plus and any and all unpaid dividends ahead of the common shares.

Other than the foregoing rights and those rights specifically granted to shareholders under the Corporation Code, stockholders holding Preferred Shares shall have no other material rights in the Corporation.

OFFER SHARES

The Offer Shares comprise Common Shares of the Company. Prior to the Offer, there has been no public trading market for the Company's Common Shares.

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[5] In this Prospectus, including for purposes of computing the number of the Offer Shares, or the authorized, subscribed and outstanding Common Shares, approval by the SEC of the amendments to the Company's Articles of Incorporation (including in particular the reclassification of its authorized common capital stock into preferred shares and the change in par value of such common shares) has been assumed.

[6] See note 1 and note 2.

RIGHTS RELATING TO THE OFFER SHARES

Voting Rights

The Offer Shares have full voting rights.

Fundamental Matters Requiring Stockholder Approval

Corporate power and competence is lodged primarily with the Board of Directors. However, the Corporation Code considers certain matters as significant corporate acts that may be implemented only with the approval of shareholders, including those holding shares denominated as non-voting in the articles of incorporation. These acts, which require Board approval and the approval of shareholders representing at least two-thirds (2/3) of the issued and outstanding capital stock of the company in a meeting duly called for the purpose (except for the approval of management contracts in general, which require approval of shareholders representing a majority of the company's outstanding capital stock), include:

- Amendment of the Articles of Incorporation and By-Laws;
- Extension or shortening of corporate term;
- Increase or decrease of capital stock and incurring, creating or increasing bonded indebtedness;
- Delegation to the Board the power to amend or repeal or to adopt new By-Laws;
- Sale, lease, exchange, mortgage, pledge or other disposition of all or a substantial part of the Company's assets;
- Merger or consolidation of the Company with another corporation or corporations;
- Investment of corporate funds in any other corporation or for a purpose other than the primary purpose for which the Company was organized;
- Dissolving the Company;
- Declaration or issuance of stock dividends;
- Ratifying a contract between the Company and a director or officer where the vote of such director or officer was necessary for approval;
- Entering into a management contract where (a) a majority of directors of the managing corporation constitutes the majority of the board of the managed company or (b) stockholders of both the managing and managed corporations represent the same interest and own or control more than one third of the outstanding capital stock entitled to vote;
- Removal of directors;
- Ratification of an act of disloyalty by a director; and
- Ratification of contracts with corporations in which a director is also a member of the board, where the interest of the directors is substantial in one corporation and nominal in the other.

Preemptive Rights

The Corporation Code confers pre-emptive rights on shareholders of a Philippine corporation, which give the shareholders the right to subscribe to all issues or other disposition of shares of any class by the corporation in proportion to their respective shareholdings, subject to certain exceptions. A Philippine corporation may provide for the denial of the pre-emptive rights in its articles of incorporation. There is a pending application for amendment of the Company's Articles of Incorporation to deny the pre-emptive right of its shareholders.

Derivative Suits

Philippine law recognizes the right of a shareholder to institute, under certain circumstances, proceedings on behalf of the corporation in a derivative action in circumstances where the corporation itself is unable or unwilling to institute the necessary proceedings to redress wrongs committed against the corporation or to vindicate corporate rights, as for example, where the directors themselves are the malefactors.

Appraisal Rights

The Corporation Code grants a shareholder a right of appraisal in certain circumstances where such shareholder has dissented and voted against a proposed corporate action, including:

- An amendment of the articles of incorporation which has the effect of adversely affecting the rights attached to such shareholder's shares or of authorizing preferences in any respect superior to those of outstanding shares of any class or of extending or shortening the term of corporate existence of the corporation;

- The sale, lease, exchange, transfer, mortgage, pledge or other disposal of all or substantially all the assets of the corporation;

- The investment of corporate funds in another corporation or business or for any purpose other than the primary purpose for which the corporation was organized; and

- A merger or consolidation.

In these circumstances, the dissenting shareholder may require the corporation to purchase his shares at a fair value which, in default, is determined by three disinterested persons, one of whom shall be named by the stockholder, one by the corporation, and the third by the two thus chosen. In the event of a dispute, the SEC will resolve any question relating to a dissenting shareholder's entitlement to exercise the appraisal rights. The dissenting shareholder will be paid if the corporate action in question is implemented and the corporation has unrestricted retained earnings sufficient to support the purchase of the shares of the dissenting shareholders.

Right to Dividends

Please see discussion in section on Dividends and Dividends Policy.

Right of Inspection and Disclosure Requirements

Philippine stock corporations are required to file an annual general information sheet, which sets forth data on their management and capital structure, and copies of their annual financial statements with the SEC. Corporations must also submit their annual financial statements to the BIR. Corporations whose shares are listed on the PSE are also required to file current, quarterly and annual reports with the SEC and the PSE. Shareholders are entitled to require copies of the most recent financial statements of the corporation, which include a statement of financial position as of the end of the most recent tax year and a statement of income for that year. Shareholders are also entitled to inspect and examine the books and records which the corporation is required by law to maintain.

Change in Control

The Company's Articles of Incorporation provides that no transfer of stock or interest, which will reduce the ownership of Filipino citizens to less than the required percentage of the outstanding capital stock, shall be allowed or permitted to be recorded in the stock and transfer book.

No more than forty percent (40%) of the issued and outstanding shares of the Company may be owned by foreigners in order to maintain the Philippine nationality of the Company and the corporations in which it has invested considering that the Company and its subsidiaries are primarily engaged, in the exploration, development, and utilization of mineral resources of the Philippines.

MEETINGS OF THE SHAREHOLDERS

Annual Meeting of Shareholders

Annual Meeting of the Stockholders of the Company is held every last Wednesday of May each year. In this meeting, the Stockholders elect, by a plurality of vote through ballot, a board composed of nine (9) directors, including two (2) independent directors, to serve for one (1) year or until their successors are elected and qualified.

Before the date of the Annual Meeting, written notice shall be sent to each registered stockholder at least ten (10) days prior to the date of the meeting. This requirement can be waived provided that it is done in writing.

Special Meetings of Stockholders

Special meetings of the stockholders may be called by the President at his discretion or on the demand of the stockholders holding the majority of the outstanding capital stock of the corporation entitled to vote.

A written notice stating the day, hour and place of the meeting, and the general nature of the business to be transacted, shall be sent to each stockholder at least ten (10) days before the date of such special meeting, provided that this requisite may be waived in writing by the stockholders.

Place of Meetings

All meetings of the stockholder shall be held at the principal office of TVIRD at the 22nd Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City unless written notice of such meetings should fix another place within the Philippines. There is a pending application for the amendment of the Articles of Incorporation to change the place of meetings.

Proxy

Stockholders, when entitled, may vote at all their meetings either in person or by proxy duly given in writing and presented to the Corporate Secretary for inspection and record at or prior to the opening of said meeting.

Quorum during the Stockholders' meeting

No stockholders' meeting shall be competent to decide any matter or transact any business, unless stockholders owning at least seventy-five percent (75%) of the outstanding capital stock entitled to vote is present or represented thereat, except in those cases which the Corporation Code requires the affirmative vote of a greater proportion. There is a pending application for the amendment of the Articles of Incorporation to change the quorum requirement for stockholders meeting to majority.

Voting during the Shareholders' Meeting

Voting upon all questions at all meetings of the stockholders shall be by number of shares held and not per capita.

MANUAL ON CORPORATE GOVERNANCE

The Company has a Manual on Corporate Governance ("Manual") approved by the Board of Directors on 24 September 2015. The Manual has been submitted to the SEC in compliance with Revised Code of Corporate Governance SEC Memorandum Circular No. 6 Series of 2009 and SEC Memorandum Circular No. 9 series of 2014.

The Company's policy of corporate governance is based on its Manual. The Manual lays down the principles of good corporate governance in the entire organization. The Manual provides that it is the Board's responsibility to initiate compliance with the principles of good corporate governance, to foster the long-term success of the Company and to secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Company, its shareholders and other stakeholders.

Corporate Governance

The Company is committed to doing business in accordance with the highest professional standards, business conduct and ethics and all applicable laws, rules, and regulations in the Philippines. The Company, its directors, officers, and employees are dedicated to promote and adhere to the principles of good corporate governance by observing and maintaining its core business principles of accountability, integrity, fairness, and transparency.

Independent Directors

Philippine regulations require the Company to have at least two (2) independent directors in its Board of Directors. The Company's independent directors are Messrs. Luis R. Sarmiento and Patrick V. Caoile. Independent directors must hold no interests or relationships with the Company that may hinder their independence from the Company or its management, or which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Under the SEC Revised Code of Corporate Governance, independent directors should always attend Board meetings. Unless otherwise provided in the by-laws, their absence shall not affect the quorum requirement; the By-Laws of the Company do not provide for such quorum requirement. However, pursuant to the Company's Manual, to promote transparency, the Board may require the presence of at least one (1) independent director in all its meetings.

COMMITTEES OF THE BOARD

The Board of Directors has constituted certain committees to effectively manage the operations of the Company. The Company's principal committees include the Audit Committee, the Compensation Committee, the Nomination Committee and the Executive Committee. A brief description of the functions and responsibilities of the key committees are set out below:

Audit Committee

The Audit Committee shall be composed of at least three (3) board members, preferably with accounting and finance background, one of whom shall be an independent director and another should have related audit experience. The Chairman of this Committee should be an independent director. He should be responsible for inculcating in the minds of the Board Members the importance of management responsibilities in maintaining a sound system of internal control and the Board's oversight responsibility.

The Audit Committee shall perform the following functions:

a. Provide oversight over the senior management's activities in managing credit, market liquidity, operational, legal and other risks of the Corporation. This function shall include receiving from senior management periodic information on risk exposures and risk management activities;

b. Provide oversight of the Corporation's internal and external auditors;

c. Review and approve audit scope and frequency and the annual internal audit plan;

d. Discuss with the external auditor before the audit commences the nature and the scope of the audit, and ensure coordination where more than one audit firm is involved;

e. Be responsible for setting up an internal audit department and consider the appointment of an internal auditor as well as an independent external auditor, the audit fee, and any question of resignation or dismissal;

f. Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system;

g. Receive and review reports of internal and external auditors and regulatory agencies, where applicable, and ensure that management is taking appropriate corrective actions, in a timely manner in addressing control and compliance functions with regulatory agencies;

h. Review the quarterly, half year and annual financial statements before submission to the Board, focusing particularly on:

    i. Any change/s in accounting policies and practice;

    ii. Major judgmental areas;

    iii. Significant adjustments resulting from the audit;

    iv. Going concern assumption;

    v. Compliance with accounting standards; and

vi. Compliance with tax, legal and stock exchange requirements;

i. Be responsible for coordinating, monitoring, and facilitating compliance with existing laws, rules and regulations. It may also constitute a Compliance Unit for this purpose;

j. Evaluate and determine non-audit work by external auditor and keep under review the non-audit fees paid to the external auditor both in relation to their significance to the auditor and in relation to the Corporation's total expenditure on consultancy. The non-audit work should be disclosed in the annual report;

k. Establish and identify the reporting line of the chief audit executive so that the reporting level allows the internal audit activity to fulfill its responsibilities. The chief audit executive shall report directly to the Audit Committee functionally. The Audit Committee shall ensure that the internal auditors have free and full access to all the Corporation's records, properties and personnel relevant to the internal audit activity and that the internal audit activity should be free from interference in determining the scope of the internal auditing examinations, performing work, and communicating results and shall provide a venue for the Audit Committee to review and approve the annual internal audit plan.

Nomination Committee

The Nomination Committee of the Board shall have at least three (3) members, one of whom shall be an independent director. The Nomination Committee shall promulgate the guidelines for the nomination and screening of the regular and independent directors consistent with then current requirements of law or regulation.

Only a stockholder of record entitled to notice and to vote at the regular or special meeting of the stockholders for the election of directors shall be qualified to be nominated and elected as a director of the Corporation.

Compensation Committee

The Board may constitute a Compensation and Remuneration Committee which shall be composed of at least three (3) members, one of whom should be an independent director. It may establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment.

DIVIDENDS AND DIVIDENDS POLICY

LIMITATIONS AND REQUIREMENTS

Under Philippine law, a corporation can only declare dividends to the extent that it has unrestricted retained earnings. Unrestricted retained earnings represent the amount of accumulated profits and gains realized out of the normal and continuous operations of the company after deducting therefrom distributions to stockholders and transfers to capital stock or other accounts, and which is: (i) not appropriated by its Board of Directors for corporate expansion projects or programs: (ii) not covered by a restriction for dividend declaration under a loan agreement; and (iii) not required to be retained under special circumstances obtaining in the corporation such as when there is a need for a special reserve for probable contingencies.

A corporation may pay dividends in cash, by the distribution of property, or by the issuance of shares. Board approval suffices for the declaration of cash and property dividends. However, stock dividends may be paid and distributed only upon the approval of the shareholders representing not less than 2/3 of the outstanding capital stock at a regular or special meeting called for that purpose.

While Preferred Shares are not entitled to participate in dividends declared by the Corporation, holders of Preferred Shares are entitled to a fixed cumulative dividend rate of seven percent (7%) per annum which may be declared or paid ahead of any dividends to the holders of Common Shares.

RECORD DATE AND PAYMENT DATE

Under relevant regulations, cash dividends declared by the company shall have a record date not less than 10 nor more than 30 days from the date of declaration. For stock dividends, the record date shall not be less than 10 nor more than 30 days from the date of the shareholders' approval, provided however, that in the case of a listed company, the set record date shall not be less than 10 trading days from receipt by the PSE of the notice of declaration of stock dividend. In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date is to be fixed by the SEC.

Under the By-Laws of the Company, the Board of Directors may, by resolution, direct that the record date for declaration of dividends shall be, at least thirty (30) days from the date of such declaration of dividends.

For corporations the shares of which have been lodged with the Philippine Central Depository ("PCD"), all stock dividends and all cash dividends shall be remitted to PCD for immediate distribution to its Participants no later than 18 trading days from record date (the "Payment Date") provided, that in case of stock dividends, the credit of the stock dividend shall be on the Payment Date which in no case shall be later than the stock dividends listing date.

DIVIDEND POLICY

Each of the Company and its subsidiaries has yet to adopt a dividend policy. However, the Company is looking at paying at least 20% of the audited net income.

CASH DIVIDENDS DECLARED

In 2013, the Company declared cash dividends in the amount of ₱7,984,594. There was no cash dividend declaration in 2014 and year-to-date 2015.

RECENT SALES OF UNREGISTERED OR EXEMPT SECURITIES

On November 29, 2012, 763,636 and 341,627 Class A shares were issued in favor of JMM International Holdings, Inc. and Roberto V. San Jose, respectively.

On December 1, 2012, 40,192 and 763,636 Class B shares were issued in favor of Roberto V. San Jose and TVIIM, respectively.

On July 4, 2013, the SEC approved the increase in authorized capital stock of the Company from ₱41,000,000, divided into 20,500,000 Class A Shares and 20,500,000 Class B Shares both with a par value of ₱1 to ₱101,000,000 divided into 50,500,000 Class A Shares and 50,500,000 Class B Shares both with a par value of ₱1 per share. On July 16, 2013, in connection with the said increase, 7,125,000 and 3,187,500 Class A shares were issued in favor of JMM International Holdings, Inc. and Roberto V. San Jose, respectively. On the same day, 375,000 and 7,125,000 Class B shares were issued in favor of Roberto V. San Jose and TVIIM, respectively

On December 12, 2013, one (1) Class B share was transferred from John B. Ridsdel to Eugene T. Mateo and one (1) Class A share was issued to each of Manuel Paolo A. Villar, Michael G. Regino and Lily Ann S. Panelo.

On December 27, 2013, the SEC approved the increase of authorized capital stock of the Company from ₱101,000,000 divided into 50,500,000 Class A Shares and 50,500,000 Class B shares, both with par value of ₱1 each to ₱500,000,000 divided into both with par value of ₱1 each. In connection with the said increase, 16,247,702 and 83,752,297 Class B shares were issued to TVIIM and PRHI, respectively.

On January 21, 2014, 7,125,000 and 3,187,500 Class A shares were issued to JMM International Holdings Inc. and Roberto V. San Jose, respectively.

On April 1, 2014, one (1) Class A share was transferred from Lily Ann S. Panelo to Maryknoll B. Zamora.

On July 1, 2014, one (1) Class A share was converted to one (1) Class B share for each of Manuel Paolo A. Villar, Michael G. Regino and Maryknoll B. Zamora.

On May 4, 2015, the SEC approved the declassification of 50,500,000 Class A shares and 449,500,000 Class B shares into 500,000,000 Common Shares, and the corresponding amendment of the Company's Articles of Incorporation.

On September 24, 2015, the Company's board of directors and shareholders representing at least 2/3 of the Company's outstanding capital stock approved the reclassification of a portion of the Company's existing authorized capital stock to accommodate the creation and the issuance of the Preferred Shares. As part of this reclassification, the Company's authorized capital stock in the amount of ₱500 million was reclassified into 9,600,000,000 Common Shares and 2,000,000,000 Preferred Shares. On [October 7, 2015], the Company filed an application with the SEC for the approval of the foregoing amendments.

On September 24, 2015, the Company's board of directors likewise approved the issuance, upon the approval by the SEC of the reclassification of the Company's existing authorized capital stock and the creation of the Preferred Shares, of a total of 2,000,000,000 Preferred Shares at the aggregate subscription price of ₱0.01, to the following shareholders:

Shareholder	No. of Preferred Shares	Subscription Price
PRHI	1,900,000,000	₱0.01
Eugene T. Mateo	100,000,000	₱0.01

[All of the subscription payments due on the issuance of the foregoing Preferred Shares have been duly paid for and received by the Company.][7]

[On [●], the Company issued to Messrs. Luis R. Sarmiento and Patrick V. Caoile[8], the Company's independent directors, one Common Share each to qualify such persons for election as independent directors of the Company. All subscription payments due on the issuance of the foregoing Common Shares have been duly paid for and received by the Company.]

The foregoing issuances are exempt transactions under Sections 10.1(e) and 10.1(i) of the SRC, as applicable, of the SRC, for which no notice or request for exemption is required. The shares were not publicly offered and no underwriter was engaged for purposes of the issuance of the shares.

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[7] Upon the approval by the SEC of the amendments to the Company's Articles of Incorporation, but prior to the commencement of the Offer Period, it is expected that certain existing shareholders of the Company will subscribe to a total of 2,000,000,000 Preferred Shares.

[8] The election of regular and independent directors who shall occupy the newly-created seats in the board remains pending until the approval by the SEC of the amendment of the Company's articles of incorporation to increase the number of seats in the board of directors.

DETERMINATION OF OFFER PRICE

For purposes of this Prospectus, the Offer Price is assumed to be up to [₱3.71] per Offer Share. The Offer Price [was] [will be] determined and finally set through a book-building process and discussions between the Company and the Lead Underwriter. Since the Company and the Offer Shares have not been listed on any stock exchange, there is no market information for the Offer Shares and there has been no market price for the Offer Shares derived from day-to-day trading.

The factors considered in determining the Offer Price [are] [will comprise], among others, the Company's ability to generate earnings and cash flow, its short and long-term prospects, the level of demand from institutional investors, overall market conditions at the time of the launch and the market price of listed comparable companies. The Offer Price may not have any correlation to the actual book value of the Offer Shares.

DILUTION

As of the date of this Prospectus, the shareholdings of the Company immediately are as follows:

	Immediately Preceding the Offer				
Shareholders	**Common Shares**	**%**	**Preferred Shares**	**Total Voting Shares**	**%**
PRHI	1,675,045,940	68.42%	1,900,000,000	3,575,045,940	80.37%
TVIIM	750,726,720	30.66%	-	750,726,720	16.88%
Roberto V. San Jose	22,409,100	0.92%	-	22,409,100	0.50%
Eugene T. Mateo	20	0.00%	100,000,000	100,000,020	2.25%
Clifford M. James	20	0.00%	-	20	0.00%
Manuel Paolo A. Villar	20	0.00%	-	20	0.00%
Eugene T. Mateo	20	0.00%	-	20	0.00%
Maryknoll B. Zamora	20	0.00%	-	20	0.00%
Total	**2,448,181,860**	**100.00%**	**2,000,000,000**	**4,448,181,860**	**100.00%**

Through the Offer, the Company will offer 272,021,000 Primary Offer Shares to the public, all of which comprise new Common Shares to be issued from the authorized and unissued common stock of the Company, and the Selling Shareholders will offer for sale, a total of 136,011,000 Secondary Offer Shares to the public, all of which comprise existing Common Shares. After the Offer, the shareholdings of the Company are expected to be as follows:

	Immediately After the Offer					
Shareholders	**IPO Issuance**	**Common Shares**	**%**	**Preferred Shares**	**Total Voting Shares**	**%**
PRHI	(93,918,394)	1,581,127,546	58.13%	1,900,000,000	3,481,127,546	73.75%
TVIIM	(42,092,606)	708,634,114	26.05%	-	708,634,114	15.01%
Roberto V. San Jose	-	22,409,100	0.82%	-	22,409,100	0.47%
Eugene T. Mateo	-	20	0.00%	100,000,000	100,000,020	2.12%
Clifford M. James	-	20	0.00%	-	20	0.00%
Manuel Paolo A. Villar	-	20	0.00%	-	20	0.00%
Eugene T. Mateo	-	20	0.00%	-	20	0.00%
Maryknoll B. Zamora	-	20	0.00%	-	20	0.00%
IPO Investors	408,032,000	408,032,000	15.00%	-	408,032,000	8.64%
Total	**272,021,000**	**2,720,202,860**	**100.00%**	**2,000,000,000**	**4,720,202,860**	**100.00%**

The Offer Shares will be sold at the Offer Price, which will be substantially higher than the net tangible book value per share of the outstanding Common Shares, which will result in an immediate material dilution of the new investors' equity interest in the Company. The net tangible book value of the Company as of June 30, 2015 is at ₱1.93 billion or ₱0.79 per share. Net tangible book value represents the amount of the Company's total tangible assets less its total liabilities. The Company's net tangible book value per share represents its net tangible book value divided by the number of Common Shares outstanding.

After giving effect to the increase in the Company's net tangible book value to reflect its receipt of the net proceeds of the Offer due to the Company estimated at up to ₱928.89 million and the addition of a total of up to 272.02 million new Common Shares subject of the Offer, the Company's pro-forma net tangible book value would approximately be up to ₱1.05 per share.

This represents an immediate increase of up to ₱0.26 per Common Share to existing shareholders and dilution of up to ₱2.66 per share to Offer investors. This dilution in net tangible book value per share represents the estimated difference between the Offer Price and the approximate pro-forma net tangible book value per share immediately following the receipt of the net Offer proceeds by the Company.

The following table illustrates dilution on a per Common Share basis, based on the Offer Price per Offer Share in the Offer:

Offer Price Per Offer Share	₱3.71
Book Value per Share as of June 30, 2015	0.79
Increase in Book Value per Share attributable to the Offer Shares	0.26
Pro-forma Book Value per Share after the Offer	1.05
Dilution per Common Share to Investors in the Offer	2.66

PLAN OF DISTRIBUTION

Up to 408,032,000 Offer Shares, which consists of the Primary Offer Shares and the Secondary Offer Shares,] shall be offered by the Company [and the Selling Shareholders] to investors, through the Issue Manager Lead Underwriter. The 81,606,400 Offer Shares (or 20% of the Offer Shares) are being offered to all of the PSE Trading Participants and the 40,803,200 Offer Shares (or 10% of the Offer Shares) are being offered to the Local Small Investors ("**LSI**") in the Philippines. The remaining 285,622,400 Offer Shares (or 70% of the Offer Shares) are being offered by the Lead Underwriter to the Qualified Institutional Buyers and to the general public. Prior to the closing of the Offer, any Offer Shares not taken up by the PSE Trading Participants and LSIs shall be distributed by the Lead Underwriter to their clients or to the general public. In the event that there are Offer Shares that remain unsubscribed at the end of the Offer, the Lead Underwriter shall subscribe to the balance pursuant to the terms and conditions of the Underwriting Agreement between the Company and the Lead Underwriter.

Underwriting Commitments

The Offer will be underwritten at the Offer Price and in connection therewith, an Underwriting Agreement will be entered into on or before the commencement of the Offer, between the Company and the Lead Underwriter, whereby the Lead Underwriter agrees to underwrite the 408,032,000 Offer Shares to be offered, subject to agreement on any clawback, clawforward or other such mechanism, on a firm commitment basis.

The Lead Underwriter has committed to underwrite the entire Offer. The underwriting fee is based on the final nominal amount of the Offer Shares to be issued. There is no arrangement for the Lead Underwriter to return to the Company any unsold Offer Shares. The Underwriting Agreement may be terminated in certain circumstances prior to payment of the net proceeds of the Offer Shares being made to the Company. There is no arrangement as well giving the Lead Underwriter the right to designate or nominate member(s) to the Board of Directors of the Company.

The Lead Underwriter is duly licensed by the SEC to engage in underwriting or distribution of the Offer Shares. The Lead Underwriter may, from time to time, engage in transactions with and perform services in the ordinary course of its business for the Company or its affiliates.

Allocation to the Trading Participants of the PSE and Local Small Investor Program

Pursuant to the rules of the PSE, the Company will make available 81,606,400 Offer Shares comprising 20% of the Offer for distribution to PSE Trading Participants. The total number of Offer Shares allocated to the 133 each PSE Trading Participants will be distributed following the procedures indicated in the implementing guidelines for the Offer Shares to be distributed by the PSE. Each PSE Trading Participant will be allocated a total of 613,500 Offer Shares. The balance of 10,900 Offer Shares will be allocated by the PSE to the PSE Trading Participants.

PSE Trading Participants who take up the Offer Shares shall be entitled to a selling fee of 1% of the Offer Shares taken up and purchased by the relevant trading participant. The selling fee, less a withholding tax of 10%, will be paid to the PSE Trading Participants within ten (10) banking days after the Listing Date.

The PSE Trading Participants may be allowed to subscribe for their dealer accounts provided that, if they opt to sell the Offer Shares to the clients during the Offer period, it must be at a price not higher than the Offer Price per share. Likewise, the trading participants are prohibited from selling the Offer Shares during the period after the Offer period and prior to the Listing Date.

The balance of the Offer Shares allocated but not taken up by the PSE Trading Participants will be distributed by the Lead Underwriter to their clients or to the general public.

A total of 40,803,200 Offer Shares, or 10% of the Offer, shall be made available to Local Small Investors. Local Small Investors is defined as a subscriber to the Offer who is willing to subscribe to a maximum of [●] Offer Shares under the LSI program. Should the total demand for the Offer Shares in the LSI program exceed the maximum allocation, the Lead Underwriter shall allocate the Offer Shares by balloting.

The balance of the Offer Shares allocated but not taken up by the Local Small Investors will be distributed by the Lead Underwriter to their clients or to the general public.

The Lead Underwriter

BDO Capital is the wholly owned investment banking subsidiary of BDO. It obtained its license from the SEC to operate as an investment house in 1998 and is licensed by the SEC to engage in the underwriting and distribution of securities to the public. BDO Capital is primarily involved in equity management, underwriting and placement, debt management, underwriting and syndication, financial advisory services, project finance and securities trading. Its senior executives have extensive experience in the capital markets and performed lead roles in a substantial number of major equity and debt issues, both locally and internationally. Since 1998, BDO Capital has underwritten several public and private offerings of equity and debt in the Philippines. As of the date of this Prospectus, BDO Capital has an authorized capital stock of ₱400,000,000 and paid up capital stock of ₱300,000,000. In its eighteen (18) years of existence, BDO Capital has undertaken capital markets transactions for both the Government and the private sector.

Underwriter's Compensation

The Lead Underwriter shall receive from the Company a fee equivalent to 2-3/4% of the gross proceeds of the Offer, which shall be inclusive of the amounts to be paid to other participating underwriters and selling agents and exclusive of the amounts to be paid to the PSE Trading Participants, where applicable. The underwriting fees shall be withheld by the Lead Underwriter from the proceeds of the Offer.

The Lead Underwriter has no other business relationships with Company. BDO Capital is not represented in the Company's Board of Directors. Neither is there a provision in the Underwriting Agreement, which would entitle the Lead Underwriter to representation in the Company's Board of Directors as part of their compensation for underwriting services.

Subscription Procedures

On or before [●], the PSE Trading Participants shall submit to the designated representative of the PSE Listing Department their respective firm orders and commitments to purchase Offer Shares. Offer Shares not taken up by PSE Trading Participants will be distributed by the Lead Underwriter directly to its clients and the general public and whatever remains will be purchased by the Lead Underwriter.

With respect to the LSIs, all applications to purchase or subscribe for the Offer Shares must be evidenced by a duly accomplished and completed application form. An application to purchase Offer Shares shall not be deemed as a duly accomplished and completed application unless submitted with all required relevant information and applicable supporting documents to the Lead Underwriter or such other financial institutions that may be invited to manage the LSI program. Payment for the Offer Shares must be made upon submission of the duly completed application form.

Lodgment of Shares

All of the Offer Shares are or shall be lodged with the PDTC and shall be issued to the investors in scripless form. Investors may maintain the Offer Shares in scripless form or opt to have the stock certificates issued to them by requesting an upliftment of the relevant Offer Shares from the PDTC's electronic system after the closing of the Offer, at the cost of the requesting Investor.

Lock-up/Escrow

Existing shareholders who own an equivalent of at least 10% of the issued and outstanding Common Shares of the Company prior to the Offer are required under the revised listing rules of the PSE applicable to companies applying for listing on the PSE Main Board, not to sell, assign or otherwise dispose of their Common Shares for a minimum period of 180 days after the Listing Date.

The Revised Listing Rules of the PSE also require that if there is any issuance or transfer of shares or securities (*i.e.*, private placements, asset for shares swap or a similar transaction) or instruments which lead to issuance of shares or securities (*i.e.*, convertible bonds, warrants or a similar instrument) done and fully paid for within 180 days prior to the start of the offering period, and the transaction price is lower than that of the Offer Price in the initial public offering, all shares or securities availed of shall be subject to a lock-up period of at least one year from listing of the shares or securities.

The following shareholders are covered by the lock-up requirement:

Shareholder	No. of Common Shares Covered by Lock-up Provision	Ownership Percentage	Lock-Up Period (Days)
PRHI	1,581,127,546	58.13%	180
TVIIM	708,634,114	26.05%	180

To implement this lock-up requirement, the PSE requires, among others, to lodge the shares with the PDTC through a participant of the PDTC system for the electronic lock-up of the shares or to enter into an escrow agreement with the trust department or custodian unit of an independent and reputable financial institution.

The Company, the Selling Shareholders and the individual shareholders listed above, being subject to the lock-up requirement, [will enter] [have entered] into an escrow agreement with BDO Universal Bank, Inc. – Trust and Investments Group as the escrow agent thereunder.

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth the balances of liabilities and shareholders' equity of the Company as of June 30, 2015. This table should be read in conjunction with the Company's audited financial statements, including the notes thereto, included elsewhere in this Prospectus.

(All amounts in thousands Philippine Peso)

	As of June 30, 2015	**As of June 30, 2015 As adjusted after giving effect to the Offer**
Current liabilities	₱536,159	₱536,159
Non-current liabilities	390,640	390,640
Total liabilities	926,799	926,799
Equity Attributable to owners of the Parent Company		
Share capital	153,222	166,823
Share premium	1,753,195	2,748,792
Treasury shares	(37,408)	(37,408)
Retained earnings	354,948	354,948
Other reserves	(330,929)	(330,929)
	1,893,028	2,902,226
Non-controlling interest	33,293	33,293
Total equity	1,926,321	2,935,519
Total liabilities and equity	**₱2,853,120**	**₱3,862,318**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND FINANCIAL PERFORMANCE

The following management's discussion and analysis of the Company's financial position and results of operations should be read in conjunction with the Company's audited financial statements, including the related notes, contained in this Prospectus. This Prospectus contains forward-looking statements that involve risks and uncertainties. The Company cautions investors that its business and financial performance is subject to substantive risks and uncertainties. The Company's actual results may differ materially from those discussed in the forward-looking statements as a results of various factors, including, without limitation, those set out in "Risk Factors" on page [●] of this Prospectus. In evaluating the Company's business, investors should carefully consider all of the information contained in "Risk Factors" on page [●] of this Prospectus.

OPERATING RESULTS AND FINANCIAL CONDITION

Information on the Company's results of operations and financial condition presented in the 2014 Audited Consolidated Financial Statements and accompanying Notes to the Consolidated Financial Statements are incorporated herein by reference.

The following table sets out selected information from the Company's Consolidated Statements of Total Comprehensive Income for the periods indicated (all amounts in thousands Philippine Peso, except per share data):

	For the six months ended June 30		For the years ended December 31		
	2015	**2014**	**2014**	**2013**	**2012**
Revenues					
Sale of nickel ore	504,604	-	391,328	-	-
Sale of copper and zinc concentrates	-	490,505	490,505	2,322,468	3,797,059
Drilling revenue	7,853	1,457	2,067	50,599	-
Royalty income	21,719	-	-	66,863	158,007
Other revenues	3,087	7,113	5,343	-	-
Total revenues	537,263	499,075	889,243	2,439,930	3,955,066
Cost and expenses					
Cost of sales and services	(352,514)	(555,534)	(623,311)	(2,296,321)	(3,051,960)
Operating expenses	(102,208)	(61,673)	(236,136)	(90,604)	(318,523)
Exploration costs	(4,984)	(5,555)	(8,166)	(9,806)	(159,303)
Total operating costs and expenses	(459,706)	(622,762)	(867,613)	(2,396,731)	(3,529,786)
Income (loss) from operations	77,557	(123,687)	21,630	43,199	425,280
Other operating income (expenses)	(13,338)	(19,660)	6,007	(30,395)	(35,914)
Finance costs and income					
Financing costs	(9,140)	(578)	(1,156)	(5,985)	(11,177)
Foreign exchange gain (loss), net	(4,577)	-	(8)	(1,661)	31,393
Interest income	2,922	749	2,681	6,670	36,528
Total other operating income/expenses, finance costs and income	(24,133)	(19,489)	7,524	(31,371)	20,830
Income (loss) before provision for tax	53,424	(143,176)	29,154	11,828	446,110
Provision for income tax	(1,815)	(125)	(809)	(2,257)	(1,499)
Net income (loss) for the year	51,609	(143,301)	28,345	9,571	444,611
Other comprehensive income (loss) that will not be subsequently reclassified to profit or loss					
Remeasurement gain (loss) on retirement benefits	1,911	17,621	11,812	(2,072)	(20,453)
Total comprehensive income (loss) for the year	53,520	(125,680)	40,157	7,499	424,158
Net income (loss) attributable to:					
Owners of the Parent Company	55,194	(143,301)	(8,533)	29,903	478,487
Non-controlling interest	(3,585)	-	36,878	(20,332)	(33,876)
	51,609	(143,301)	28,345	9,571	444,611
Total comprehensive income (loss) attributable to:					
Owners of the Parent Company	57,801	(125,680)	3,279	27,831	458,034
Non-controlling interest	(4,281)	-	36,878	(20,332)	(33,876)
	53,520	(125,680)	40,157	7,499	424,158
Earnings (loss) per share - basic and diluted	0.45	(1.17)	(0.07)	0.67	14.22

The following table sets out selected information from the Company's Consolidated Statements of Financial Position for the periods indicated (all amounts in thousands Philippine Peso):

		December 31		
	June 30, 2015	2014	2013	2012
ASSETS				
Current assets				
Cash and cash equivalents	224,867	500,147	258,928	568,500
Receivables, net	496,660	321,067	63,180	263,626
Due from related parties	337	358	137	111,361
Inventories, net	134,386	158,472	399,665	331,364
Prepayments and other current assets, net	220,037	173,783	27,545	31,391
Total current assets	1,076,287	1,153,827	749,455	1,306,242
Non-current assets				
Property and equipment, net	689,969	456,718	328,040	572,544
Mining claims and deferred exploration costs, net	677,590	667,115	496,478	406,747
Option to purchase contracts	250,850	238,682	269,764	55,130
Retirement plan asset	23,765	25,390	12,262	-
Other non-current assets	134,659	134,161	130,945	131,475
Total non-current assets	1,776,833	1,522,066	1,237,489	1,165,896
Total assets	2,853,120	2,675,893	1,986,944	2,472,138
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	81,074	36,634	119,016	146,286
Due to related parties	6,721	828	16,189	289,297
Accrued expenses and other liabilities	248,733	308,310	325,313	109,730
Current portion of estimated liability for restoration costs	53,929	76,977	43,224	32,496
Current portion of borrowings	145,702	119,253	-	410,500
Income tax payable	-	3	1,395	417
Total current liabilities	536,159	542,005	505,137	988,726
Non-current liabilities				
Estimated liability for restoration costs, net of current portion	164,300	19,179	69,475	106,838
Borrowings, net of current portion	220,172	238,507	-	-
Deferred tax liability	-	6	-	-
Retirement benefit obligation	6,168	3,395	6,672	65,509
Total non-current liabilities	390,640	261,087	76,147	172,347
Total liabilities	926,799	803,092	581,284	1,161,073
Equity				
Attributable to owners of the Parent Company				
Share capital	153,222	153,222	129,240	35,409
Share premium	1,753,195	1,753,195	1,276,187	1,271,670
Treasury shares	(37,408)	(37,408)	-	-
Retained earnings	354,948	299,754	308,287	293,869
Other reserves	(330,929)	(332,840)	(344,652)	(345,512)
	1,893,028	1,835,923	1,369,062	1,255,436
Non-controlling interest	33,293	36,878	36,598	55,629
Total equity	1,926,321	1,872,801	1,405,660	1,311,065
Total liabilities and equity	2,853,120	2,675,893	1,986,944	2,472,138

For the six months ended June 30, 2015 and June 30, 2014

Results of Operations

TVIRD saw its bottomline reverse to a Net Income of ₱51.61 million for the first half of 2015, from a Net Loss of ₱143.30 million for the comparable period in 2014. This is due to (i) the Canatuan Mine reaching the end of its mine life in January 2014, hence depressing revenue generation in the first half of 2014; and (ii) the full six-month period impact of the Agata Project generating nickel ore sales in the first half of 2015, which commenced operations only in October 2014.

The Company generated ₱499.08 million in Total Revenues in the first six months of 2014, bulk of which was from its last shipment of copper and zinc concentrates. While for the comparable period in 2015, TVIRD booked Total Revenues of ₱537.26 million, 8% higher year-on-year on the back of six full months of nickel ore sales from the Agata Project.

Costs and expenses decreased from the six months ended June 30, 2014, (approximately ₱623 million) as compared to the six months ended June 30, 2015, (approximately ₱460 million), primarily due to decrease of cost of sales. Cost of sales in 2014 pertain to last shipment of Canatuan copper and zinc operations. Meanwhile, Cost of sales in 2015 was primarily due to Agata DSO operations.

Material Changes in the Second Quarter of 2015 Financial Statements

The Company sold an aggregate of 760 thousand wet metric tons (WMT) amounting to ₱504.6 million of nickel ore in the first six months of 2015 from the Agata Project while no such sale was made in the same period of last year or equivalent to 100% increase. Company's sales in 2015 included 593 thousand WMT of limonite and 167 thousand WMT of saprolite ores were sold to Chinese customers. The Company realized an average price of ₱664 thousand per WMT for the six months ended June 30, 2015.

For the six months ended June 30, 2014, the Company sold an aggregate of 9.2 thousand dry metric tons (DMT) or ₱490.5 million of copper and zinc concentrates from the Canatuan Mine while for no sale was made for the current period translating to 100% decrease. The Company's sales for the prior period included 4.1 thousand of DMT of copper and 5.1 thousand DMT of zinc concentrates were sold to Chinese customers. The Company realized an average price of ₱53.39 thousand per WMT for the six months ended June 30, 2014. In January 2014, the milling operation in Canatuan ended after having exhausted its remaining stockpile.

The 439% increase in drilling revenue was attributable to the additional drillings done in Agata for other areas and some confirmatory drillings. On the other hand, the 100% increase in royalty income pertains to the acknowledgement by the Rapu-Rapu Group for the Net Smelter Return (NSR) settlement as per the signed memorandum of agreement dated December 14, 2012 between the Company, Korea Malaysia Philippines Resources, Inc. and Rapu-Rapu Group.

The 57% decrease in other revenues is due to the sale of scrap materials from the Canatuan Mine in 2014. While in 2015, the decrease refers to technical service fee and marketing from joint venture Company.

The 37% decrease in cost of sales and services is attributable to the net effect of decrease in mining and milling cost from ₱321.1 million to ₱390.2 million or ₱69.1 million (-18%), refining cost from ₱91.3 million to nil, freight expense from ₱36.9 million to P13 million or ₱23.9 million (-65%), and penalties from ₱13.9 million to nil. The operation in 2014 refers to the Canatuan Project while the operation in 2015 refers to the Agata DSO Project.

The 66% increase in operating expenses is primarily attributable to the increases of the following: personnel costs, outside services, travel and transportation, and taxes and licenses. The increases were brought about by the commencement of Agata operations in latter part of 2014.

The 10% decrease in exploration costs is due to the reduction in exploration activities of the Company. The 32% decrease in other operating income is primarily to the decrease in realized forex loss during the six-month period compared to the same period in 2014.

The 1,481% increase in financing costs is mainly driven by the three-year loan agreement by Agata Mining Ventures Inc. (AMVI), a subsidiary, with a Bank, for a maximum principal of US$8 million. The loan was obtained to partially finance AMVI's mining operations. The maximum amount was drawn as at December 31, 2014 with fixed interest rate of 5% per annum.

The 100% increase in net foreign exchange loss is mainly driven from the unrealized foreign exchange loss of Borrowings of the same amount in the first half of 2015 denominated in US Dollar.

The 290% increase in interest income is attributable to higher amount of cash were placed in short-terms placements and in mine rehabilitation funds for the six months ended June 30, 2015 compared in 2014.

The 1,352% increase in provision for income tax is mainly due to the Company's Minimum Corporate Income Tax computed as 2% of the gross income as of period end resulting from higher Company's total revenues.

For the years ended December 31, 2014 and 2013

Results of operations

The Company's Total Revenues reached ₱889.24 million in 2014, 65% lower compared to the ₱2.44 billion that it booked in 2013. The decline was driven by the eventual conclusion of the Canatuan Project. Of the Company's Total Revenues in 2014, Sales from Copper and Zinc Concentrates accounted for 55% (compared to 95% in 2013), while Nickel Ore Sales from the Agata Project accounted for 44% (compared to nil in 2013).

In January 2014, TVIRD ceased milling operations at its Canatuan Mine after having exhausted its remaining stockpile. The Company generated ₱490.51 million in revenues from its last copper and zinc concentrates shipment from the Canatuan Mine, vis-à-vis sales of ₱2.32 billion from a full year of operations in 2013. In October 2014, TVIRD commenced nickel ore sales operations in its Agata Project, from which it generated revenues of ₱391.33 million.

Cost of Sales and Services and Operating Expenses stood at ₱859.45 million, 64% lower compared to the ₱2.39 billion in 2013 largely due to the conclusion of the Canatuan Project which considerably decreased the Company's General and Site Overhead Costs and Expenses.

Benefit from Income Tax stood at ₱808.76 thousand in 2014, 64% lower than the ₱2.26 million recorded in 2013 due to the expiration of an Income Tax Holiday benefit which the company has enjoyed since 2008.

The Company ended 2014 with a Net Income of ₱28.35 million and 2013 with ₱9.57 million. The hefty 196% improvement in 2014 Net Income was driven by (i) additional revenues following the commencement of nickel DSO operations at the Agata Project and (ii) the reduction in operating expenses due to the closure of the Canatuan Mine in 2014.

Material Changes in the 2014 Year End Financial Statements

The Company sold an aggregate of 383 thousand wet metric tons (WMT) or ₱391.3 million of nickel ore in for the year ended December 31, 2014 from the Agata Project while no sale was made for the year ended December 31, 2013. The Agata Project commenced its operations only in October 2014. Company's sales for the current year included 110 thousand WMT of saprolite and 273 thousand WMT of limonite ores. All of these were sold to Chinese customers. The Company realized an average price of $20.16 per WMT for the year ended December 31, 2014. A total of 7 shipments transpired during the current year. The limonite price ranges from $12.5- to $17.50 depending on Iron (Fe) grades while saprolite price ranges from $30.50 to $32.50 depending on nickel (Ni) grades.

In 2013, the Company sold an aggregate of 31,763 dry metric tons (DMT) or ₱2,322.5 million of copper and zinc concentrates from the Canatuan Mine. While in 2014, the Company sold 9,187 DMT or ₱490.5 million. This is a significant decrease of ₱1,832 million, or 79%. The Company realized an average price of ₱73.12 thousand per DMT and ₱53.39 thousand per DMT for the year ended December 31, 2013 and 2014, respectively. Basically, the significant contraction in 2014 sales was a result of the expected decline in shipments on the Canatuan Mine nearing the end of mine life. In January 2014, the milling operation in Canatuan ended after having exhausted its remaining stockpile.

The 96% decrease in drilling revenue is mainly due to reduction on drilling activities brought about by slack in mining industry. Poor metal prices made mining companies to defer their drilling activities.

The 100% decrease in royalty income pertains to the acknowledgement by the Rapu-Rapu Group for the Net Smelter Return (NSR) settlement as per the signed memorandum of agreement dated December 14, 2012 between the Company, Korea Malaysia Philippines Resources, Inc. and Rapu-Rapu Group.

The 100% increase in other revenues is mainly attributable to technical service fee from Agata Mining Ventures Inc. (AMVI), a subsidiary, with the Company in 2014.

The 73% decrease in cost of sales and services is largely due to the conclusion of the Canatuan Project which considerably decreased the Company's general and site overhead costs and expenses. As a result of this, there was 71% decrease in volume of shipments from Canatuan.

The 161% increase in operating expenses is primarily attributable to the increases of personnel costs, rent, taxes and licenses, advertising, and materials and supplies. The increases were brought about by the commencement of Agata operations in 2014.

The 17% decrease in exploration costs is due to the reduction in exploration in drilling activities considering that Agata has commenced its operations in 2014.

The 120% decrease in other operating income for the year ended December 31, 2014 is because of the recognization by the Company of ₱20 million write-back of accrued expense and ₱16.1 million reversal of provision for impairment of input taxes which resulted to other operating income in the Company's books. Only ₱2.8 million reversal of provision for impairment of input taxes was recognized for the year ended December 31, 2013.

The 81% decrease in financing costs is mainly driven by the full payment of borrowings of borrowings in July and November 2013. However, in December 2014, US$8 million loan was obtained from a Bank for AMVI.

The 100% decrease in net foreign exchange loss is mainly driven from the realized foreign exchange loss of Borrowings recognized for the year ended December 31, 2013 which is denominated in US Dollar. Minimal foreign denominated currency payable was outstanding in 2014.

The 60% decrease in interest income is attributable to lower amount of cash were placed in short-terms placements and in mine rehabilitation funds for the year ended December 31, 2012 compared in 2013.

The 64% decrease in provision for income tax is line with the decrease in Company’s total revenues.

The 93% increase in cash and cash equivalents is the net effect of cash provided by financing activities amounting to ₱816.1 million and cash used in operating and investing activities amounting to ₱239.5 million and ₱335.5 million, respectively.

The 408% increase in net receivables is due to the Service Fees recognized for services provided for its joint ventures—Agata Mining Ventures, Agata Processing, Pan de Azucar Mining Ventures, and Pan de Azucar Processing.

The 161% increase in items due from related parties refers to the additional interest receivable at 5%/annum to TVI Pacific for the US$2.8 million made by the Company and all other outstanding advances to TVI Pacific.

The 60% decrease in due from related parties is basically due to the sale of the remaining inventories from the Canatuan Mine.

The 531% increase in net prepayments and other current assets is due to the reversal of provision for input VAT during the year ended December 31, 2014 and reversal of provision due to application against Output VAT.

The 100% net increase in property and equipment is due primarily to the net additions from the construction activities in the Company’s Balabag Gold-Silver Project.

The 34% increase in mining claims and deferred exploration is due to capitalization of exploration costs relating to the Balabag Gold-Silver Project and additional purchase contracts related to Agata Processing Inc. and offset by transfer to investment in subsidiary.

The 12% decrease in option to purchase contracts is due to the additional purchase contract related to Agata Processing Inc. and offset by transfer to investment in subsidiary (AMVI) amounting to ₱170.5 million and ₱201.6 million, respectively.

The 107% increase in retirement plan assets is due to the remeasurements gain on retirement benefits amounting to ₱10 million and partially offset by expense charged to P&L amounting to ₱3 million.

The 69% decrease in trade payables is due to settlement of trade payables. While the 95% decrease in trade payables is due to settlement of various accounts to related parties.

The 5% decrease in accrued expenses and other liabilities is due to the settlement of various accrued expenses.

The 78% increase in the current portion of estimated liability for restoration costs is due to the partial rehabilitation of the Gossan and Sulphide disturbed areas in Canatuan. While the 100% increase in the current portion of borrowings is due to bank borrowings to finance Agata DSO

Project. In 2013, The Company had paid off ₱410.5 million pursuant to loan agreements for its Canatuan Mine, and as such, had zero bank debts as at December 31, 2013.

The 72% decrease in estimated liability for restoration costs, net of current portion from ₱112.7 million to ₱96.2 million is due to partial rehabilitation of the Gossan and Sulphide disturbed areas in Canatuan.

The 100% increase in borrowings, net of current portion, is due to Bank Borrowings to finance Agata DSO Project. In 2013, the Company had paid off ₱410.5 million pursuant to loan agreements for its Canatuan Mine, and as such, had zero bank debts as at December 31, 2013.

The 100% increase in deferred tax liability is due to the recognition of deferred tax liability of a subsidiary.

The 49% decrease in retirement benefit obligation is mainly due to contributions made by its subsidiary to the retirement fund. While the 19% increase share capital and 37% increase in share premium are cause by the capital infusion from Prime Resources Holdings Inc. in 2014. Finally, the 100% increase in treasury shares is attributable to the repurchase of shares in the same period.

Financial condition

As of December 31, 2014, TVIRD had Current Assets amounting to ₱1.15 billion, 54% higher than the ₱749.46 million reported as at end-2013. The increase was primarily driven by movement in Cash and Cash Equivalents, which was at ₱500.15 million as at end-2014, 93% higher than the level recorded as of end-2013, following the additional equity infusion from new majority stockholder PRHI and also due to the proceeds from the US$8.00 million loan that it incurred to finance the Agata Project.

The Company's Receivables stood at ₱321.07 million and ₱63.18 million, respectively, as of end-2014 and -2013. The increase was mostly due to Service Fees recognized for services provided for its joint ventures—Agata Mining Ventures, Agata Processing, Pan de Azucar Mining Ventures, and Pan de Azucar Processing.

TVIRD had Inventories of ₱158.47 million and ₱399.67 million, respectively, as of end-2014 and -2013. The 60% decline was due to the sale of the remaining inventories from the Canatuan Mine.

Total Non-current Assets was at ₱1.52 billion and ₱1.24 billion, respectively, as of end-2014, the movement largely driven by changes in Property, Plant and Equipment ("PPE"), as well as in Mining Claims and Exploration Costs. In particular, the 39% increase was on the back of net additions to PPE from the construction activities in the Company's Balabag Gold-Silver Project. Meanwhile, Mining Claims and Exploration Costs significantly increased from ₱496.48 million in 2013 to ₱667.12 million in 2014 as exploration costs relating to the Balabag Gold-Silver Project were capitalized.

The Company had Total Liabilities of ₱803.09 million and ₱581.28 million, respectively, as of end-2014, and -2013. TVIRD had paid off in 2013 ₱410.50 million pursuant to loan agreements for its Canatuan Mine, and as such, had zero bank debts as of end-2013. However, as of end-2014, the Company had a total of ₱357.76 million in Borrowings after it drew on the maximum amount of its US$8.00 million credit facility secured to finance mining operations at its Agata Project. Of this amount, ₱119.25 million was classified current as of end-2014, with the balance classified as non-current.

Consistently profitable operations have allowed for an equity base which has steadily grown to reach ₱1.87 billion as of end-2014, from ₱1.41 billion at end-2013. Moreover, on January 10, 2014, the Parent Company issued additional 23,982,077 Class B shares for ₱500.99 million, shortly after the approval of the Philippine SEC of an increase in the authorized capital stock of the Parent Company, the amount placed in escrow account was released to repurchase all of the Parent Company's outstanding Class A Shares in consideration of the payment by the Parent Company to the Class A Holders of the Class A Shares Repurchase Price. Proceeds from the equity infusion provided further boost to TVIRD's Total Equity. This transaction resulted to 68% ownership of PRHI of TVIRD from 54.66%.

Cash flow analysis

In 2014, operating activities resulted in a net cash outflow of ₱239.52 million due mainly to (i) lower pre-tax income during the year after the Canatuan mine reached the end of its mine life in January 2014, and (ii) higher Trade Receivables as of year-end generated from AMVI's nickel ore off-take agreements.

Investing activities in 2014 likewise resulted in a net cash outflow of ₱335.54 million, driven in turn by (i) construction of new plants for the Agata/Balabag Gold-Silver project, and (ii) the acquisition of mining claims for the Agata Project. TVIRD's operating and investing activities in 2014 were generally addressed by financing net proceeds of ₱816.10 million from the issuance of shares, supported by proceeds from bank borrowings. The Company ended the year with a solid cash hoard of ₱500.15 million, 93% higher than the prior year's cash balance.

For the years ended December 31, 2013 and 2012

Results of operations

The Company's Total Revenues reached ₱2.44 in 2013, 38% lower than the ₱3.96 billion that it booked in 2012 as the Canatuan Project was nearing its conclusion.

Cost of Sales and Services and Operating Expenses stood at ₱2.39 billion in 2013, 32% lower than the ₱3.37 billion in 2012 again due to the declining operations at the Canatuan Project which considerably decreased the Company's General and Site Overhead Costs and Expenses.

Benefit from Income Tax stood at ₱2.26 million in 2013 and ₱1.50 million in 2012 as the Company remained entitled to an Income Tax Holiday benefit which the company has enjoyed since 2008.

The Company ended 2013 with a Net Income of ₱9.57 million, down 98% from ₱444.61 million in 2012. The significant contraction in 2013 Net Income was a result of the expected decline in shipments on the back of the Canatuan Mine nearing the end of mine life.

Financial condition

As of December 31, 2013, TVIRD had Current Assets amounting to ₱749.46 million, 43% lower than the ₱1.31 billion reported as at end-2012. This was driven mainly by a 54% decline in Cash and Cash Equivalents to ₱258.93 million in 2013 after it paid off ₱ 410.50 million in ₱ and US$ denominated loans that were incurred to support the Canatuan Mine operations.

The Company's Receivables stood at ₱63.18 million and ₱263.63 million, respectively, as of end-2013 and -2012. The decline was due to the settlement of certain receivables which were outstanding in 2012.

TVIRD had Inventories of ₱399.67 million and ₱331.36 million as of end-2013 and -2012, respectively. The 21% increase in 2013 from 2012 Inventories refers to increase in production for the last shipment in November 2013.

Total Non-current Assets was at ₱1.24 billion and ₱1.17 billion as of end-2013 and -2012, respectively, the movement in balances largely driven by changes in Property, Plant and Equipment ("PPE"), as well as in Mining Claims and Exploration Costs. In particular, PPE saw a 43% decrease in 2013 vs. 2012 on the full depreciation of Canatuan Mine assets as the project reached the end of its mine life in January 2014. Meanwhile, Mining Claims and Exploration Costs remained relatively stable in 2013 and 2012 at ₱496.48 million and ₱406.75 million, respectively.

The Company had Total Liabilities of ₱581.28 million and ₱1.16 billion as of end-2013, and -2012, respectively. The changes in balances were principally attributable to changes in Bank Borrowings. TVIRD had paid off in 2013 ₱410.50 million pursuant to loan agreements for its Canatuan Mine, and as such, had zero bank debts as of end-2013.

Consistently profitable operations have allowed for an equity base which has steadily grown to reach ₱1.41 billion at end-2013 and ₱1.31 billion at end-2012.

<u>*Material Changes in the 2013 Year End Financial Statements*</u>

For the year ended December 31, 2012, the Company sold an aggregate of 50,007 dry metric tons (DMT) amounting to ₱3,955.1 million of copper and zinc concentrates from the Canatuan Mine, while in 2013, 31,763 or ₱2,322.5 million, a decline of ₱1,474.6 million, or 39%. The Company realized an average price of ₱79.09 per WMT and ₱73.12 per WMT for the years ended December 31, 2013 and 2012. Basically, the reduction in 2013 sales was a result of the expected decline in shipments on the Canatuan Mine nearing the end of mine life.

The 100% increase in drilling revenue pertains to various drilling activities conducted in Agata, Balabag, and Titan Mining Energy. While the 58% decrease in royalty income pertains to the acknowledgement by the Rapu-Rapu Group for the NSR settlement as per the signed memorandum of agreement dated December 14, 2012 between the Company, Korea Malaysia Philippines Resources, Inc. and the Rapu-Rapu Group.

The 25% decrease in the cost of sales and services is due to the conclusion of the Canatuan Project which considerably decreased the Company's general and site overhead costs and expenses.

The 72% decrease in operating expenses is primarily attributable to the reduction of personnel costs, outside services, advertising, and pension cost. The movements were in line with the movement of cost of sales and services due to the conclusion of Canatuan Project. The 94% decrease in exploration cost is due to the reduction of Company's exploration activities.

The 46% decrease in financing costs is mainly driven by the full payment of borrowings in July and November 2013. As a result, the financing costs were fully recognized in 2012.

The 105% net decrease in foreign exchange loss is mainly driven by the unrealized foreign exchange gain of borrowings recognized for the year ended December 31, 2012 which is denominated in US Dollar. Minimal foreign denominated currency payable was outstanding in 2013.

The 82% decrease in interest income is attributable to lower amount of cash were placed in short-terms placements and in mine rehabilitation funds for the year ended December 31, 2012 compared in 2013.

The 51% increase in provision for income tax is due to the expiration of an Income Tax Holiday benefit which the Company has enjoyed since 2008.

The 54% decrease in cash and cash equivalents amounting to ₱309.6 is a result of the net effect of cash used in financing activities amounting to ₱524.6 million and cash provided by operating and investing activities amounting to ₱68.3 million and ₱145.5 million, respectively.

The 76% net decrease in receivables is mostly due to the collection of royalty receivable from Rapu-Rapu which was outstanding as at December 31, 2012 amounting to ₱137.5 million.

The 100% decrease in amounts due from related parties is because of the collection of certain receivables from related parties such as TVI Pacific, Inc, TVI Minerals Processing, Inc. and TVI International Marketing Limited.

The 21% net increase in Inventories is because higher amount of copper concentrates inventories were left as of December 31, 2013 compared in 2012. All remaining inventories left as of December 31, 2013 were subsequently sold in early 2014.

The 12% decrease in prepayments and other current assets is due to the amortization of prepaid expense account.

The 43% decrease in property and equipment is mainly brought by the depreciation and amortization of property and equipment.

The 22% increase in mining claims and deferred exploration is due to the capitalization of Balabag project and offset by the usual amortization of the Canatuan Mine.

The 389% increase in option to purchase contracts is due to the additional purchases of contracts with Agata Processing, Inc. and Agata Mining Ventures, Inc.

The 100% increase in retirement plan asset is due to the set-up of retirement plan asset of ₱12.3 million. While the 19% decrease in trade payables is due to the settlement of trade payables.

The 94% decrease in amounts due to related parties is attributable to the settlement of various accounts to related parties. While the 196% increase in accrued expenses and other liabilities pertains to customer deposit which have been advanced by Tewoo and MRI Trading AG as required by the take-off agreement.

The 33% increase in current portion of estimated liability for restoration costs is the combined effect of the movement of estimated liability for restoration costs (both current and non-current portion) decreased due to partial rehabilitation of the Gossan and Sulphide disturbed areas in Canatuan.

The Company had paid off in 2013 ₱410.5 million pursuant to loan agreements for its Canatuan Mine, and as such, had zero bank debts as at December 31, 2013.

The 235% increase in income tax payable is due to the expiration of an Income Tax Holiday benefit which the Company has enjoyed since 2008.

The 35% decrease in estimated liability for restoration costs is the combined effect of the movement of estimated liability for restoration costs (both current and non-current portion) decreased due to partial rehabilitation of the Gossan and Sulphide disturbed areas in Canatuan.

The 90% decrease in retirement benefit obligation is mainly due to expense charged in profit or loss amounting to ₱71 million.

The 265% increase in share capital is due to the issuance of shares in 2013 amounting to ₱95.1 million.

The 5% increase in retained earnings is due to the net income attributable to owners of the Company amounting to ₱30 million and offset by dividend declaration totaling to ₱15.5 million.

Finally, the 34% decrease in non-controlling interest is due to comprehensive loss of ₱23.3 million offset by the issuance of shares amounting to ₱4.2 million.

CASH FLOW ANALYSIS

The following table sets out selected information from the Company's Consolidated Statements of Cash Flows for the periods indicated (all amounts in thousands ₱):

	For the six month ended June 30		For the years ended December 31		
	2015	**2014**	**2014**	**2013**	**2012**
Cash flows from operating activities					
Income (loss) before provision for income tax	53,424	(143,176)	29,154	11,828	446,110
Adjustments for:					
Depreciation of property and equipment	40,234	30,068	52,243	281,279	385,101
Amortization of mining claims and deferred exploration costs	11,483	1,025	2,129	58,007	96,950
Accretion and restoration costs	3,540	1,090	2,181	2,787	35,119
Provision for (gain on) retirement benefits obligation	6,809	(6,681)	(1,292)	(71,116)	44,045
(Reversal of) Provision for impairment of input VAT	-	3,026	(125,198)	22,028	13,613
Write-back of accrued expense	(4,534)	-	(20,000)	-	-
Reversal of (Provision for) inventory obsolescence	-	-	(4,916)	4,794	10,212
Loss (gain) on disposal of property and equipment	2,345	-	9,723	1,783	(3)
Loss on write-off of investment in subsidiaries and receivables	-	-	-	-	1,440
Unrealized foreign exchange (gain) loss	3,683	39	(5,400)	6,772	(34,443)
Interest and other financing costs	9,140	578	1,156	5,985	11,177
Interest income	(2,124)	(749)	(2,681)	(6,669)	(36,528)
Operating income (loss) before working capital changes	124,000	(114,780)	(62,901)	317,478	972,793
Decrease (increase) in:					
Receivables	(176,177)	17,951	(257,888)	200,446	76,960
Due from related parties	20	(68)	3,278	106,442	243,615
Inventories	24,086	270,902	246,110	(73,096)	(38,924)
Prepayments and other current assets	(46,253)	9,396	(21,041)	(18,183)	(9,920)
Increase (decrease) in:					
Trade payables	(202,675)	(88,654)	(82,383)	(27,269)	(44,634)
Due to related parties	(46)	(1,274)	(49,083)	(275,524)	(748,208)
Accrued expenses and other liabilities	195,639	(262,886)	2,998	215,583	(1,995)
Cash generated from (absorbed by) operations	(81,406)	(169,413)	(220,910)	445,877	449,687
Restoration costs incurred	(23,049)	(8,617)	(18,724)	(29,422)	(43,594)
Retirement benefits paid directly	-	-	(370)	(556)	(177)
Contributions to the retirement fund	(500)	-	-	(1,500)	(54,885)
Interest received	2,124	749	2,681	6,669	3,241
Income taxes paid	-	(1,395)	(2,201)	(1,278)	(2,765)
Net cash provided by (used in) operating activities	(102,831)	(178,676)	(239,524)	419,790	351,507
Cash flows from investing activities					
Acquisitions of property and equipment	(134,249)	(38,524)	(190,644)	(38,558)	(291,327)
Option to purchase contracts	(12,168)	(89,303)	31,082	(214,634)	(55,130)
Increase in:					
Mining claims and deferred exploration costs	(21,958)	(26,639)	(172,766)	(147,738)	(171,675)
Other non-current assets	(500)	(85)	(3,214)	530	(27,791)
Net cash used in investing activities	(168,875)	(154,551)	(335,542)	(400,400)	(545,923)
Cash flow from financing activities					
Proceeds from borrowings	4,461	-	357,760	-	659,561
Payment of borrowings and financing costs	(9,327)	(578)	(1,156)	(416,485)	(952,164)
Dividends paid	-	-	(4,087)	(3,897)	(5,818)
Repurchase of shares	-	-	(37,408)	-	-
Issuance of shares	-	447,435	500,990	90,848	493,505
Net cash provided by (used in) financing activities	(4,866)	446,857	816,099	(329,534)	195,084
Net increase (decrease) in cash and cash equivalents	(276,572)	113,630	241,033	(310,144)	668
Cash and cash equivalents at beginning of year	500,147	258,928	258,928	568,500	561,818
Net effect of foreign exchange rate changes on cash and cash equivalents	1,292	5	186	572	6,014
Cash and cash equivalents at end of year	224,867	372,563	500,147	258,928	568,500

In 2014, operating activities resulted in a net cash outflow of ₱239.52 million due mainly to (i) lower pre-tax income during the year after the Canatuan mine reached the end of its mine life in January 2014, and (ii) higher Trade Receivables as of year-end generated from AMVI's nickel ore off-take agreements. Investing activities in 2014 likewise resulted in a net cash outflow of ₱335.54 million, driven in turn by (i) construction of new plants for the Agata/Balabag Gold-Silver project, and (ii) the acquisition of mining claims for the Agata Project. TVIRD's operating and investing activities in 2014 were generally addressed by financing net proceeds of ₱816.10 million from the issuance of shares, supported by proceeds from bank borrowings. The Company ended the year with a solid cash hoard of ₱500.15 million, 93% higher than the prior year's cash balance.

Meanwhile in 2013, cash flow from operations of ₱419.79 million were more than adequate to support investing outflows of ₱400.40 million. In particular, significant collection of receivables and due from related parties covered (i) a hike in Mining Claims, and (ii) an increase in Option to Purchase Contracts. TVIRD, however, saw its year-end cash buffer contract by 54% to ₱258.93 million after the Company paid down ₱410.50 million in debt obligations relating to the Canatuan Mine, pursuant to its loan agreements.

LIQUIDITY AND CAPITAL RESOURCES

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Management aims to maintain flexibility in funding by keeping committed credit lines.

The Management monitors its liquidity reserve through its cash position reports, which are prepared on daily and weekly basis. Cash flow forecasting is performed in by the Finance and Accounting unit of the Company. This unit monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements - for example, currency restrictions.

Surplus cash held by the Company over and above balance required for working capital management are invested in interest-bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

As at June 30, 2015, the Company has working capital surplus of ₱540.1 million (December 31, 2014 - ₱611.8 million; December 31, 2013 - ₱244.3 million and December 31, 2012 - ₱317.5 million).

The table below analyzes the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is considered not significant.

	Less than 1 year				Between 1 and 5 years			
	June 30,	December 31,			June 30,	December 31,		
	2015	2014	2013	2012	2015	2014	2013	2012
Trade payables	81,074	31,776	119,016	142,200	-	4,858	-	4,086
Due to related	6,721	828	16,189	209	-	-	-	289,088

	Less than 1 year				Between 1 and 5 years			
parties								
Accrued expenses and other liabilities	141,984	184,458	97,077	89,510	-	1,524	-	3,235
Borrowings*	145,702	119,253	-	410,500	240,809	250,432	-	-
	375,481	336,315	232,282	642,419	240,809	256,814	-	296,409

Accrued expenses and other liabilities exclude payable to government agencies and customer deposits.

CAPITAL EXPENDITURES

TVIRD's business is capital intensive in nature. The Company's capital expenditures generally consist of (i) acquisition of mining claims, (ii) exploration costs, (iii) acquisition of equipment, (iv) acquisition of properties, (v) acquisition/construction of plants, and (vi) acquisition of options to purchase contracts.

In this respect, TVIRD's capital expenditures for its past three fiscal years have hovered above ₱400 million annually, with over a third of this amount typically on account of increases in mining claims and exploration costs. TVIRD's capital expenditures amounted to ₱332.33 million, ₱400.93 million, and ₱518.13 million, in 2014, 2013, and 2012, respectively. Of these amounts, ₱172.77 million, ₱147.74 million, and ₱171.68 million were attributable to mining claims and exploration costs as of 2014, 2013, and 2012, respectively.

Please see "Use of Proceeds" for more details on the Company's intended capital expenditures.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring payments. The Company also does not expect any event that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

OFF-BALANCE SHEET AGREEMENTS

The Company has no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons.

KNOWN TRENDS, EVENTS OR UNCERTAINTIES AFFECTING SALES

The Company does not expect any trends, events or uncertainties that may have material favorable or unfavorable impact on sales or income.

SIGNIFICANT ELEMENTS OF INCOME OR LOSS

There were no significant elements of income or loss that did not arise from the Company's operations.

There have not been any seasonal aspects that had a material effect on the financial condition or results of the Company's operations.

KEY PERFORMANCE INDICATORS

TVIRD uses a range of financial and operational key performance indicators (“KPIs”) to help measure and manage its performance. These KPIs reflect the Company’s continuous focus on efficiency, cost control and safety across all its operations. The management also considers the following as KPIs:

(All amounts in thousands Philippine Peso, except EBITDA Margin and Return on Investment)

	For the six months ended June 30		For the years ended December 31		
KPIs	**2015**	**2014**	**2014**	**2013**	**2012**
EBITDA [1]	114,281	(111,505)	84,682	357,099	939,338
EBITDA Margin [2]	21.27%	-22.34%	9.52%	14.64%	23.75%
Free Cash Flow [3]	31,418	(140,152)	(48,880)	458,348	642,834
Mining cost per tonne on: [4]					
Copper & Zinc	-	60,182	44,100	70,684	60,487
Nickel (HFO & SO)	464	-	553	-	-
Return on Investment (ROI) [5]	2.72%	-9.17%	1.73%	0.70%	52.50%

[1] *EBITDA is defined as earnings before interest, tax, depreciation and amortization from continuing operations and before exceptional items. It predominately reflects the sales volumes and realized prices during the year, and is a key metric of performance.*

[2] *The EBITDA margin shows earnings before interest, tax, depreciation and amortization from continuing operations and before exceptional items as a percentage of revenue. It measures how efficiently revenue is converted into EBITDA from continuing operations.*

[3] *Free cash flow is calculated as net operating cash flow minus capital expenditure. Free cash flow represents the cash that a company is able to generate after investing to maintain or expand its asset base. It allows a company to enhance shareholder value through paying dividends, reducing debt or making acquisitions.*

[4] *Mining costs per tonne reflect the operating costs incurred in mining both gold, silver, nickel and limestone. It includes consumption of material and energy, services (excluding transportation), personnel and other operating expenses. It does not include depreciation and amortization. Unit costs are a basic measure of a company’s effectiveness.*

[5] *Return on Investment is calculated the formula of Net Income divided by Average Stockholders’ Equity. Return on Investment measures the amount of return on an investment relative to the investment’s cost. It also reflects the profitability of stockholders’ investment.*

BUSINESS OVERVIEW

ABOUT THE COMPANY

History.

Incorporated on January 18, 1994, TVI Resource Development Phils. Inc. (The Company or "TVIRD"), was established as the local affiliate of TVI Pacific Inc. (TSX: TVI), a publicly-listed Canadian mining company based in Calgary that is focused on the exploration, development and production of precious and base metals from district-scale, large-system, high-margin projects located in the Philippines and Southeast Asia. Concurrent ownership of ventures is shared with major partner, Prime Resource Holdings Inc. ("PRHI"), a Philippine corporation.

In December 2013, the Company signed various definitive agreements with PRHI involving a private placement of common shares of TVI Pacific Inc. and the acquisition of an interest in TVIRD and various Philippine subsidiaries. Following these developments, TVIRD is 68.42%-owned by PRHI and 30.60%-owned by TVI Pacific, Inc. through its subsidiary, TVI International Marketing Ltd. (Hong Kong). As of December 31, 2013, the ultimate parent of the Company is the sole shareholder of PRHI, Prime Asset Ventures, Inc. ("PAVI"), a company also incorporated in the Philippines.

Subsidiaries.

The Company currently has ten wholly-owned subsidiaries, namely: (i) Alberta Resource Development Corporation, (ii) Paramount Copper-Gold Corporation; (iii) Lake Bonavista Minerals Corporation, (iv) Pico Minerals Corporation; (v) Goldcrest Asia Mining Ventures, Inc.; (vi) CAL Mining Ventures, Inc., (vii) Silurian Minerals, Inc., (viii) Canatuan Mines, Inc. (ix) TVI Agriproducts, Inc., and (x) Exploration Drilling Corporation.

Of these ten wholly-owned subsidiaries, only four entities are operational as of the date of this Prospectus. Alberta Resource Development Corporation has a pending application for Production Sharing Agreement (APSA) No. 000019-IX while Canatuan Mines Inc. has a pending application for Exploration Permit (EXPA) No. 000042-IX.

As will be discussed in further detail below, TVI Agriproducts, Inc. serves as one of the Company's vehicle for aiding the host community of the Company's Canatuan Project achieve a sustainable livelihood after the end of mine life through engagement in the agricultural activities. Presently, post-mining rehabilitation activities of the Company in its Canatuan mine site are carried on through TVI Agriproducts, Inc. On the other hand, Exploration Drilling Corporation is actively engaged in the business of drilling and exploration.

Growth.

TVIRD is a Filipino corporation and is the first foreign-affiliated Filipino company to reach production stage upon the enactment of the Philippine Mining Act of 1995—the law that was instituted to revitalize the large-scale mining industry that would propel the nation's economic growth. Since then, TVIRD has evolved into a diversified mining company that focuses on the acquisition, exploration, development and production of resource projects in the country. It operates under the highest standards of health and safety practices for its workers and its host community; and is uncompromising in its best-practices approach to environmental protection as well as community development.

The company's first operating mine is located in a 508-hectare area in Canatuan, Siocon, Zamboanga del Norte where it established gold and silver operations from 2004 to 2008, and then eventually moved to copper and zinc from 2009 until 2014, during which period, TVIRD ranked among the top copper and zinc producers in the country. The matrix below presents the breakdown of revenue generated by the Company's mining activities in the years ended December 31, 2012, 2013 and 2014 as well as the period ending June 30, 2015.

	Amount in '000			
Products	**December 31, 2012**	**December 31, 2013**	**December 30, 2014**	**June 30, 2015**
Laterite			391,328	504,604
Copper and Zinc	3,797,059	2,322,468	490,505	
Others (e.g. drilling services and scrap sales)	158,007	117,462	7,410	32,659
TOTAL	**3,955,066**	**2,439,930**	**889,243**	**537,263**

In 2012 and in 2013, the Company's primary revenue driver accounting for approximately 96% and 95%, respectively of the Company's revenue is the production of copper and zinc. In 2014, the Company's income was gained from both the laterite and copper and zinc operations which contributed 44% and 55%, respectively, to the Company's total earnings.

Being an export-driven organization, all mineral products generated by the Company are sold to clients and offtakers abroad. The Company does not engage in local sales and correspondingly, 100% of its revenue is generated through foreign sales. The matrix below shows the distribution of the Company's overseas clientele:

Destination of Exported Products	**December 31, 2012**	**December 31, 2013**	**December 30, 2014**	**June 30, 2015**
China	96%	95%	99%	94%

TVIRD's operations stimulated economic growth and development, especially benefiting its indigenous Subanon hosts in terms of employment and livelihood. Its operations likewise elevated the host town of Siocon, to a First-Class municipality because of income, taxes and mineral production which greatly augmented its agriculture industry.

A sustainable future.

While TVIRD is currently advancing its succeeding mine sites, it also embarks on a sustainability program for Canatuan. Its Final Mine Rehabilitation and Decommissioning Fund (FMRDF) will support its final mine decommissioning and rehabilitation program.

Its subsidiary, TVI Agriproducts Inc., is working towards post mining social and environmental resiliency of the local community through the development and implementation of an expanded agricultural program in Canatuan.

Likewise, TVIRD is primed to operate its Balabag Gold-Silver Project in Bayog Municipality, Zamboanga del Sur as well as its ongoing joint venture projects, under the Agata umbrella.

The commercial operations of Agata Mining Ventures Inc., (AMVI) marks the Company's maiden foray in nickel and it is the third successful mining project that TVIRD brought on-stream in the past 10 years. In all its endeavors, the Company remains committed to exploration and mining practices that promote transparency, responsible stewardship of the environment, and the inalienable rights to life, dignity, and sustainable development of its host communities.

Financial snapshot
As of December 31, 2014, the Company had total assets of ₱2.68 billion, while total revenue and net income for the year ended December 31, 2014 were ₱889.24 million and ₱28.35 million, respectively. As of June 30, 2015, the Company had total assets of ₱2.85 billion, while total revenue and net income for the six months ended June 30, 2015 were ₱537.26 million and ₱51.61 million, respectively.

Business Development

Key Projects and Business Activities

As of the date of this Prospectus, the Company's key mining prospects include the Agata Projects, comprised of the Agata DSO, Agata Nickel Processing and Agata Limestone Projects, the Balabag Gold-Silver and the Canatuan Expansion Projects, which are briefly described below. *(For more information on TVIRD projects, please see Major Contracts and Agreements section.)*

The Canatuan Project

Canatuan is TVIRD's 100%-owned flagship project in the Philippines. It is located in a 508-hectare MPSA area in the agricultural town of Siocon, province of Zamboanga del Norte and is accessible by air to Zamboanga City Airport and continue on by land – approximately 5 hours driving time via RT Lim and Balguian Municipalities. The port area in Santa Maria, Siocon Municipality is accessible at approximately 1-hour driving time from the Canatuan mine site.

From 2004 to mid-2008 TVIRD produced gold and silver doré from an overlying gossan (oxidized) portion of the deposit. Approximately 109,000 ounces of gold and 1.84 million ounces of silver were produced during this time. As this upper portion of the orebody was mined out, the underlying primary sulphide portion of the deposit containing copper and zinc was exposed.

By November 2008, TVIRD had completed construction of a sulphide production plant to process the underlying sulphide orebody containing copper and zinc and commenced commercial production of copper concentrates in March 2009. Since then until February 2014, TVIRD completed 39 shipments of copper concentrates for a total volume of 199,819 dry tonnes and seven shipments of zinc concentrates for a total volume of 30,434 dry tonnes. Milling operations concluded in late 2013 with a potential resumption subject to the final assessment of various mine life extension and expansion opportunities.

Following the end of mining and processing operations in January 2014, decommissioning and rehabilitation activities within the disturbed areas commenced. Approximately 165 hectares are subject to the closure programs as identified in the approved Final Mine Rehabilitation and Decommissioning Plan (FMRDP). First quarter 2014 activities focused on the decommissioning of plant and equipment, which are stored for future use for the Balabag Gold-Silver Project, as well as the continuation of progressive rehabilitation activities in MPSA areas disturbed by operations. The rehabilitation tasks include slope stabilization, erosion and drainage controls and re-vegetation.

Water quality monitoring, meteorological data collection, hydrologic data collection and geotechnical monitoring of the tailings storage facilities have continued since the end of operations. Similarly, quarterly environmental monitoring by the Multi-Partite Monitoring Team and the Mine Rehabilitation Fund Committee has also continued since the end of operations.

TVIRD continues to identify potential exploration targets within the Canatuan area outside of the MPSA. These include two promising areas known as the Malusok and Southeast Malusok areas. TVIRD continues to seek regulatory approval for the expansion of the current MPSA to include these two deposits as well as other potential adjacent deposits. In November 2014, the DENR and the MGB issued documentation allowing mining companies, like TVIRD, to expand their contract areas to adjacent territories, subject to compliance with regulatory conditions.

The Greater Canatuan Tenement Area (GCTA) surrounding the Canatuan mine comprises an extensive 352 square kilometer on which TVIRD has a package of tenement applications. The company believes that similar Canatuan-like deposits exist within the GCTA and that there is a potential for discovering extension developments.

Canatuan Expansion Project:

Exploration Potential and Social License

Surface exploration and reconnaissance activities within the Canatuan area have defined a 40+ kilometer belt of the same rock suite and geologic conditions that host the Canatuan orebody. Three areas of interest were identified and include two areas known as the Malusok and Southeast Malusok prospects. Exploration activities have confirmed the presence of mineralized prospects similar to Canatuan within both prospects.

TVIRD filed an application with the DENR on November 19, 2012 for expansion of the Canatuan MPSA to include an adjacent 500 hectares. On July 21, 2014, the DENR issued DAO No. 2012-07-A, which allows operating mines to expand their contract areas under regulatory conditions.

In January 2012, TVIRD completed the Free Prior Informed Consent ("**FPIC**") covering the Malusok and Southeast Malusok prospects. Approval of the FPIC was granted by the National Commission on Indigenous Peoples ("**NCIP**").

The Agata DSO Project

The Agata DSO Project is managed by joint venture company Agata Mining Ventures Inc. (AMVI) and is the third mining project that TVIRD brought on-stream in the past 10 years. AMVI is 60% owned by TVIRD, which is also the technical service provider of AMVI. The remaining shares are held by Minimax Minerals Exploration Corporation and MRL Nickel Philippines Inc. of 25% and 15%, respectively.

AMVI holds an Operating Agreement approved by the DENR–MGB. This agreement appoints AMVI as the sole and exclusive operator of the project with the mandate to develop and operate the contract area, including the extraction and sale of iron, nickel and other associated minerals, in line with applicable permits and licenses.

The Agata DSO Project site is located in a 4,995-hectare Mineral Production Sharing Agreement (MPSA) area located in the adjacent municipalities of Tubay, Jabonga and Santiago in Agusan del Norte Province. It is accessible by land (approximately 1.5-hours driving time) from the provincial capital of Butuan City.

A private port is constructed adjacent to the project mine site, which is strategically-located within proximity to main markets in Asia and provides the opportunity for shipping all year round.

The Agata DSO Project is located in the CARAGA mining region – a major supplier of nickel ore to processing plants in Australia, India, China, Korea and Japan. The region is also a major driver of the Philippines' leadership in nickel production.

In October 2014, AMVI commenced a detailed exploration program consisting of in-fill, data verification and step-out drilling on the Agata Nickel Laterite ore body. It defined ore extension within and outside the current pit design, and upgraded and increased the resources previously disclosed in Philippine Mineral Reporting Code (PMRC)-compliant mineral resource report, which declares that the Agata DSO Project has a total of 42.7 million dry tonnes of combined measured and indicated resources with a grade of 0.96% nickel and 19.9% iron. The proven and probable reserves are 15.6 million wet tonnes with a nickel grade range of 0.9 to 1.5% and iron grade range of 14% to 49%.

Further to continuous production at the Agata DSO Project, AMVI is currently planning to ramp-up its nickel DSO operations from a previously stated goal of 2.5 million wet tonnes per year to 2.8 million wet tonnes by 2016.

Agata Limestone Project

The Agata Limestone Project is held by AMVI and is located at Sitio Payong-Payong, south of Agata DSO Operations. From November 2014 to April 2015, AMVI completed a 17-hole drilling program on the property in addition to 5 drill holes previously completed by Mindoro Resource Ltd. (Mindoro) in 2011. The results confirmed the presence of a high-purity re-crystallized limestone deposit covering an area of approximately 39 hectares.

Based on a PMRC-compliant resource report dated August 2015, entitled "Economic Assessment and Ore Estimation of the Agata Limestone Project," the overall Indicated Mineral Resource of the Agata Limestone Project is 35.6 million tonnes with average grades of 55.11% calcium oxide and 97.31% calcium carbonate. This estimate is based on a cutoff grade of 45% calcium oxide and was developed using 100-meter drillhole spacing.

The Mineable Reserve for the limestone project as presented in the PMRC-certified report is estimated to be 22.5 million tonnes at a grade of 55.2% calcium oxide. The majority of the reserve is classified as "Very High Purity." This is amenable for processing plant requirements to produce hydrated lime and ground calcium carbonate (GCC).

Demands for high purity limestone are related to the paper making industry and the production of plastics, paints and adhesives.

Agata Nickel Processing Project

The Agata Nickel Processing Project is held by Agata Processing Inc. (API), a joint venture company with MMEC and MRL, in which TVIRD has the right to earn a 60% interest, subject to TVIRD having expended a minimum of $2 million, and delivery of the definitive feasibility study. As of June 30, 2015, TVIRD has spent a total amount of $5.01 million and has earned 45% of shares in API, which remain in escrow until fulfillment of other requirements.

The Agata Nickel Processing Project is envisioned to also process limonite and saprolitic deposits within the CARAGA Region area in order to produce a mixed hydroxide product (MHP) with approximately 40% nickel content – a processed product in great demand in the global stainless steel market.

Once established, the proposed plant will be the first of its kind in the Philippines and will further expand the country's current ranking among the world's largest producers of nickel.

Site infrastructure coupled with local sources of labor, fresh water and power (supplemented by back-up generators) provides favorable conditions for operating a processing plant. The processing plant will be located within two kilometers of the port, thereby simplifying acid transport and other logistics, as well as keeping operating costs down. Deep water for ships up to 50,000 tonnes capacity occurs within 250 meters of the coastline.

Innovative Process

TVIRD has engineered an innovative and cost-effective two-stage method that will revolutionize the way nickel laterites are processed. Currently, the most common technology used is high pressure acid leach ("HPAL"), a process which generally requires intense upfront capital expenditures ("CAPEX") of over $1 billion.

To avoid such high CAPEX, TVIRD has engineered a two-stage process involving an initial Atmospheric Tank Leach ("ATL") Process and a secondary Low Pressure Acid Leach ("LPAL") Process. Combined, the CAPEX for this two-stage process in a modular plant that is capable of producing 7,000 tonnes of nickel equivalent product per year is expected to range between $150 million to $200 million - a substantially lower cost, while having the same anticipated low operating costs as HPAL.

While both the ATL and LPAL processes on their own are proven technologies – ATL is used as a standalone process for nickel laterite and copper oxide operations, LPAL is commonly used in zinc processing – TVIRD pioneers the interfacing of both technologies for optimized production and operational cost efficiency. This is the first time the two processes are combined for processing nickel limonite and saprolite ore, and for which TVIRD has filed a patent application with the Intellectual Property Office of the Philippines.

The Balabag Gold and Silver Project

The Balabag Gold-Silver Project is an epithermal gold and silver deposit located in the municipality of Bayog, one of the major rice granaries in the agricultural province of Zamboanga del Sur. It is situated in a 4,779-hectare MPSA area approximately 75 kilometers east-northeast of the Canatuan copper-zinc mine – TVIRD's former flagship project. It is accessible from Manila by air transportation to either airports in Zamboanga or Pagadian City, which is closer to the project site (approximately one hour driving time). From either point, the property is accessible via the Zamboanga-Pagadian National Highway and through a sealed road from Imelda Town to Barangay Guinoman, Municipality of Diplahan in Zamboanga Sibugay Province.

The current mineral resource is 2.50 million tonnes averaging 1.8 g/t gold and 47.8 g/t silver for 213,000 ounces of gold equivalent. The ore reserve developed from this resource amounts to 1.35 million tonnes at 2.5 g/t gold and 68.3 g/t silver for 153,000 ounces of gold equivalent all from proven and probable category ores.

Both mineral resource and reserve are based on PMRC-compliant reports.

The project is 100% owned by TVIRD, which acquired the license to explore and develop the contract area from Zamboanga Minerals Corporation (ZMC) in 2009. TVIRD likewise holds the Environmental Compliance Certificate (ECC) and the social license to operate through signed resolutions of support from both the municipal and provincial governments. In 2014, TVIRD secured the free, prior and informed consent (FPIC) of the indigenous Subanen Tribal Leaders – the rightful claimants of the Balabag ancestral domain.

Since 2005, a total of 296 holes have been drilled for a total of 34,156 meters at the Balabag Project. During the first half of 2013, TVIRD completed 18 additional infill or extension drill holes equivalent to a total of 1,221 meters. The discovery of multi-directional veining has increased the potential of finding more veins.

While waiting for the approval for all of the operating permits, TVIRD has continued to work on the engineering design for a gold-silver processing plant to process ore on-site. The basic engineering design has now been completed and detailed design work is underway.

TVIRD has established a pilot plant at its nearby Canatuan Mine Site to carry out metallurgical test work on samples of the different types of mineralization at Balabag. Initial test results from 30 tonnes of sample material grading 4.8 g/t Au and 212 g/t Ag indicated average overall recoveries of 93% for gold and 90% for silver after 36 hours of leach time. Lower grade ore containing 2.7 g/t Au and 98 g/t Ag, which more closely represent the initial mining schedule, was fed into the pilot plant and results confirmed high extraction rates of 94% Au and 92% Ag after 36 hours of leach time. These results validated the Balabag test material's amenability to leaching as determined from prior laboratory-scale tests.

Upon the approval of its DMPF from the Philippines' DENR, TVIRD will commence on-site construction work and aim to bring operations on-stream. Once all permits to develop the Balabag project have been received, further exploration work and the completion of an updated resource estimate is expected to commence.

Construction work over the near-term will include a gold-silver processing plant, open pit and a tailings dam.

Exploration Drilling Corporation (EDCO)

EDCO was established in 1995 as a wholly-owned subsidiary of TVIRD. Since then, the organization has grown and is fully-equipped to provide quality mineral exploration drilling services in resource projects both here and in Asia.

EDCO has also expanded its services to include a full range of customized services while maintaining productivity, high recovery, and compliance with safety and environmental standards that exceed international benchmarks.

MAJOR CONTRACTS AND AGREEMENTS

Mineral production sharing agreements and financial or technical assistance agreements

An MPSA is one of the major contracts of a mining company. It allows a contractor to conduct mining operations within an area. Under the Philippine Constitution, the exploration, development, and utilization of natural resources shall be under the full control and supervision of the State. The State has the option to undertake the activities directly, or it may enter into co-production, joint-venture, or production-sharing agreements with qualified entities (e.g. MPSA). An MPSA is an agreement between the government and a contractor where the former grants the latter the exclusive right to conduct mining operations within (but not title over) a contract area whether in kind or in value as owner of the minerals therein.

In 2012, Executive Order No. 79 ("E.O. 79") was issued to ensure strict compliance with environmental standards in mining. Pursuant to EO 79, the processing of pending applications for mineral agreements such as MPSAs are suspended until a law rationalizing the revenue sharing schemes in the mining sector has been passed by Congress. In addition, the DENR is mandated to review existing mining agreements for possible renegotiation of their terms and conditions. However, EO 79 likewise mandates that existing mining operations shall be allowed to continue.

The following table summarizes the Company's approved MPSA with respect to its mining operations:

Tenement ID	Original Tenement Holder	Location	Area (has)	Date Approved	Date of Expiry	Status
MPSA No. 086-97-IX	Zamboanga Minerals Corporation	Guinoman, Diplahan, Zamboanga del Sur	4,779	November 20, 1997	November 20, 2022	Exploration with pending application for DMPF
MPSA No. 054-96-IX	Ramon V. Bosque	Canatuan, Bgy. Tabayo, Siocon, Zamboanga del Norte	508. 3396	October 23, 1996	October 23, 2021	Already exhausted the mineable minerals within the contract area covered by DMPF and is currently under post mining rehabilitation activities.
MPSA No. 134-99-XIII	Minimax Mineral Exploration Corporation	Municipalities of Tubay, Jabongga and Santiago	4,995	May 26, 1999	May 25, 2024	Commercial operation in the portion of the contract area covered by Partial DMPF for nickel covering 600 has, which was approved on April 11, 2014, and Exploration in the remaining portion of the contract area.
MPSA No. 135-99-VI	Minimax Mineral Exploration Corporation	Municipalities of Concepcion and Ajuy, Province of Iloilo	1,235	July 19, 1999	July 19, 2025	Exploration was deferred, pending the approval of the request for extension of the exploration period under the MPSA.
MPSA No. 301-2009-IX	Roldan B. Dalman	Jose Dalman, Zamboanga del	507. 4881	November 26, 2009	November 26, 2034	Exploration, and care and

Tenement ID	Original Tenement Holder	Location	Area (has)	Date Approved	Date of Expiry	Status
		Norte				maintenance

a. MPSA No. 086-97-IX (Balabag Gold-Silver Project)

The Philippine Government, through the DENR, and Zamboanga Minerals Corporation ("ZMC") are parties to the MPSA No. 086-97-IX which was executed on September 20, 1997, entitling the latter to the exploration, sustainable development and commercial utilization of gold, copper and other mineral deposits existing within the contract area situated at Guinoman, Diplahan, Zamboanga del Sur. On July 6, 2009, a Deed of Assignment were executed between ZMC and the Parent Company assigning, transferring and conveying to the latter all rights, interest and obligations of the former under the approved MPSA. The Deed of Assignment was approved by the DENR-MGB on September 28, 2009.

b. MPSA No. 054-96-IX (Canatuan Project)

The Philippine Government, through DENR, and Mr. Ramon V. Bosque (Bosque) are parties to the MPSA No. 054-96-IX which was executed on October 23, 1996, entitling the latter to the exploration, sustainable development and commercial utilization of gold, copper and other mineral deposits existing within the contract area situated at Canatuan, Bgy. Tabayo, Siocon, Zamboanga del Norte. Prior to the grant of MPSA on April 8, 1991, Bosque entered into a royalty agreement with Benguet Corporation granting the latter the exclusive right to explore, develop, and commercial utilization on gold, copper, zinc and other minerals in the contracted area. On June 16, 1997, a Deed of Assignment was executed between Benguet Corporation *(Contractor)*with conformity of Bosque *(MPSA holder)* and the Parent Company assigning, transferring and conveying to the latter all rights, interests and obligations of the former under the approved MPSA. The Deed of Assignment was approved by the MGB on May 14, 1998.

c. MPSA No. 134-99-XIII (Agata Mining Project)

The Philippine Government, through the DENR, and Minimax Mineral Exploration Corporation ("MMEC") are parties to the MPSA No. No. 134-99-XIII which was executed on May 26, 1999, entitling the latter to the exploration, sustainable development and commercial utilization of gold, copper and other mineral deposits existing within the contract area situated at the Municipalities of Tubay, Jabongga and Santiago, all in the Province of Agusan del Norte. On April 22, 2014, a Deed of Assignment was executed between MMEC and Agata Processing Inc. (API) assigning, transferring and conveying to the latter all rights, interests and obligations of the former under the approved MPSA. The Deed of Assignment is pending approval by the DENR-MGB.

In the interim, MMEC entered into an Operating Agreement with Agata Mining Ventures, Inc., wherein the former grants to the latter the exclusive right to explore, develop and operate a 600-hectare portion of the contract area. The Operating Agreement was approved by the MGB on September 18, 2014.

d. MPSA No. 135-99-VI (Pan de Azucar Mining Project)

The Philippine Government through the DENR and MMEC are parties to the MPSA No. No. 135-99-VI which was executed on July 19, 1999, entitling the latter to the exploration, sustainable development and commercial utilization of gold, copper and other mineral deposits existing within the contract area situated at the Municipalities of Concepcion and Ajuy, Province of Iloilo. On September 12, 2012, a Deed of Assignment was executed between MMEC and Pan de Azucar Processing Inc. (PDAPI) assigning, transferring and conveying to the latter all rights, interests and obligations of the former under the approved MPSA. The Deed of Assignment is pending approval by the DENR-MGB.

The Company filed on February 02, 2015 for an extension of the exploration period with the MGB. The request to extend the exploration period continues to be pending.

e. *MPSA No. 301-2009-IX (Tamarok Gold-Copper Porphyry Project)*

The Philippine Government, through DENR and Mr. Roldan B. Dalman ("Dalman") are parties to the MPSA No. 301-2009-IX which was executed on November 26, 2009, entitling the latter to the exploration, sustainable development and commercial utilization of gold, copper and other mineral deposits existing within the contract area situated at municipality of Jose Dalman, Zamboanga del Norte. The said MPSA is covered by a Concession Purchase Agreement between the Parent Company and Mr. Dalman. The Parent Company has a right to purchase 100% of the claim owner's right subject to NSR Royalty. No transactions took place in 2015, 2014 and 2013 related to this project.

Outstanding applications for MPSA and FTAA

Aside from the approved MPSA, the Parent Company has several outstanding applications for MPSA and FTAA with the DENR-MGB. Under certain proposed terms and conditions of the MPSAs and FTAAs, the Parent Company shall undertake the exploration, development and mining operation of certain mineral deposits.

As of December 31, 2014 and 2013, the following are the outstanding applications:

Mineral Agreement Application	Location	Type of Proposal	Area (hectares)	Date Filed
APSA-00039-IX	Zamboanga del Norte	APSA	2,222	January 21, 1994
APSA-00023-IX	Zamboanga del Norte	APSA	2,673	April 5, 1994
AFTAA-00014-IX	Zamboanga del Norte	AFTAA	12,798	January 28, 2005
AFTAA-00016-IX	Zamboanga del Norte	AFTAA	7,776	March 31, 2005

The application for the AFTAA and APSA described above which are pending approval by the DENR-MGB are all under the name of the Parent Company. There were no costs incurred on the outstanding proposals as at and for the years ended December 31, 2014 and 2013.

Diplahan Copper-Gold Project (APSA-00036-IX)

In addition in the FTAA and APSA application stated above, the Parent Company also entered into Concession Purchase Option Agreement with Daihan S. Graciano, an applicant for MPSA denominated as APSA-00036-IX.

In July 2006, the Parent Company signed the above-mentioned agreement with original claim owner to acquire the rights, title and interest to Diplahan Copper-Gold Project under in Zamboanga Sibugay Province. The agreement granted the Parent Company an exclusive period of four years from date of approval of the exploration permit to assess the mineral potential of the property. The property may be purchased with the claim owner then retaining a net smelter royalty on the property. No transactions took place in 2015, 2014 and 2013 related to this project.

Current royalty agreements

The Company is a party to Royalty Agreements as follows:

- Rapu-Rapu Royalty Agreement with the Consortium of Korean-Malaysia Philippines Inc., Rapu-Rapu Processing Inc. and Rapu-Rapu Minerals Inc.

- Royalty Agreement covering APSA-000223-IX with Zamboanga Gold Mining Corporation ("ZGMC")

- Tamarok Gold-Copper Porphyry Project Royalty Agreement with Roldan B. Dalman

- Diplahan Copper-Gold Project Royalty Agreement with Daihan S. Graciano.

- Balabag Gold-Silver Project Royalty Agreement with Zamboanga Minerals Corporation

- Canatuan Project Royalty Agreement with Ramon V. Bosque

Rapu-Rapu Royalty Agreement with the Consortium of Korean-Malaysia Philippines Inc., Rapu-Rapu Processing Inc. and Rapu-Rapu Minerals Inc.

In 1998, TVIRD entered into a joint venture agreement (Rapu-Rapu Project) with Rapu-Rapu Minerals, Inc., Lafayette Mining NL ("Lafayette") and Lafayette (Philippines) Inc. (collectively known as the Lafayette Group) earning 75% participating interest.

On December 16, 1999, TVIRD assigned its 75% participating interest in the Rapu-Rapu Project to the Lafayette Group, retaining in the process a 2.5% Net Smelter Return ("NSR") royalty interest. As of June 30, 2015, the Company has a NSR receivable from the Rapu-Rapu Group amounting to US$490,345.92.

Royalty Agreement covering APSA-000223-IX with ZGMC

On April 1994, TVIRD entered into Royalty agreement with ZGMC for royalty payment of 5% of net realizable value/net smelter return (NSV/NSR) of gold actually sold and other saleable products to be derived from the area subject of the APSA No. 00023-IX.

On October 17, 2002, ZGMC was absorbed by House of Investments (HI) through merger as certified by the Securities and Exchange Commission in its Certificate of Corporate Filing/Information dated December 15, 2010.

On May 27, 2011, TVIRD entered into an Addendum to the Royalty Agreement dated April 1994 with HI substituting ZGMC in said agreement with the assignment of all rights and liabilities stated in said royalty agreement. The subsequent Supplemental Agreement dated August 8, 2011, HI agreed for the Parent Company to pursue the MPSA Application solely in its name provided that the terms of the its Royalty Agreement with ZGMC will be honored.

Tamarok Gold-Copper Porphyry Project Royalty Agreement Roldan B. Dalman

On February 24, 2006, TVIRD entered into a Concession-Purchase Agreement with MPSA claimowners Roldan B. Dalman. Under the said agreement, TVIRD shall be pay royalty to the claimowners, in the event that the concession is mined by TVIRD. The rate of royalty ranges from 0.5% to 3.0% of NSR and the royalty is imposed only if on mined copper ore. No royalty agreement as to gold ores or other minerals.

Diplahan Copper-Gold Project Royalty Agreement with Daihan S. Graciano.

On July 19, 2006, TVIRD entered into a concession-Purchase Agreement with Claim owner of the application for Production Sharing Agreement (APSA) No. 000036-IX, under the name of Daihan S. Graciano. Under the said agreement, the Parent Company shall be pay royalty to the claimowners, in the event that the concession is mined by TVIRD. The rate of royalty ranges from 0.5% to 3.0% of NSR and the royalty is imposed only if on mined copper ore.

If the commodity to be mined is Gold, TVIRD shall pay the claimowners a royalty of 2.5% NSR on the gross proceeds and other mineral produced from the commercial mining operations.

Balabag Gold-Silver Project Royalty Agreement with Zamboanga Minerals Corporation

On April 26, 2005, TVIRD entered into a Memorandum of Agreement with ZMC. Under the said agreement, in the event that contract area is minded by TVIRD, the latter shall pay royalty to claimowner at a rate of 2.5% NSR on the gross proceeds of gold and other minerals produced from commercial mining operations and refined on the land subject of the Concession pursuant to a Decision to Mine less costs incurred in smelting and refining such gold minerals.

Canatuan Project Royalty Agreement with Ramon V. Bosque

On April 8, 1991, Benguet Corporation (Benguet) entered into a royalty agreement with Ramon V. Bosque (Bosque) covering a mining property in Siocon, Zamboanga del Norte consisting of 486 hectares.

Subsequently, TVIRD entered into agreement with Benguet for the grant to the Parent Companyformer the of exploration rights with option to purchase the mining rights of Benguet in the property over the Siocon Property. On October 23, 1996, the MPSA covering the Siocon Property was approved by the DENR.

On 1998, the approved MPSA was assigned by to TVIRD with the condition that the latter will assume the royalty obligation to Bosque of 4% NSR. In 1996, the Company, through its subsidiary, Canatuan Mines, Inc., purchased the 3% royalty of Bosque. At present, The Parent Company TVIRD holds 100% interest in the Siocon Property subject to 1% royalty interest of Bosque. The amount of royalty fees paid to Bosque for the year ended December 31, 2014 amounts to P16.2 million and P52.7 million in 2013.

Exploration Agreement

EXPA 61 (Joint-Venture with South Davao Development Co., Inc.)

Aside from the proposed AFTAA and APSA, TVIRD has outstanding application for exploration permit denominated as EXPA 61, in the Greater Canatuan Tenement (GCT). In February 2010, TVIRD entered in an agreement with an independent and unrelated third party, to conduct exploration, development and production of mineral deposits in the area known as EXPA 61, in the GCT. Potential prospects identified lie within a 15 km radius trucking distance to the Canatuan Sulphide Plant.

Under the joint venture agreement, TVIRD will hold a 70% interest, while the remaining 30% interest will be held by the independent third party. TVIRD will act as the operator. The partners will fund an exploration program for a year of two years amounting to a maximum of US$2 million, to be shared in accordance with their interests in the joint venture. There are still no exploration costs incurred yet in relation to EXPA 61 since it is still subject for approval of the MGB.

<u>Sales Agreement</u>

<u>MRI Trading AG</u>

On October 22, 2008, the Parent Company entered into a contract with MRI Trading AG ("MRI"), a private commodity trading company based in Switzerland for the sale of the Parent Company's copper concentrate. The offtake agreement with MRI involves the purchase of all production from the Canatuan Mine Site and to be sold exclusively by the Parent Company to MRI. The agreement states that the title and risk shall pass to MRI upon delivery of material over ships rail at loading port.

In June 2011, the Parent Company executed another offtake agreement with MRI for the sale of its zinc concentrate. This agreement includes all zinc production from the current Canatuan Mine and any future expansion thereto. Same with the copper concentrate agreement, the title and risk shall pass to MRI upon delivery of material over ships rail at loading port.

For the six months ended June 30, 2015, the Parent Company did not generated revenues from sale of copper and zinc concentrates (June 30, 2014 - ₱0.49 billion; December 31, 2014 - ₱0.49 billion; December 31, 2013 - ₱2.32 billion and December 31, 2012 - ₱3.80 billion).

<u>Tewoo Hoperay (Singapore) Pte.Ltd.</u>

On July 2014, the AMVI entered into a contract with Tewoo Hoperay (Singapore) Pte. Ltd. ("Tewoo"), a private company based in Singapore for the sale of nickel laterite ore located within the municipalities of Tubay, Santiago and Jabongga in the province of Agusan del Norte. The agreement states that the title and risk shall pass once the nickel ores are trimmed in Tewoo's vessel at the loading port which is located in Payong-Payong Port.

In December 2014, the AMVI executed another offtake agreement with Tewoo for the sale of its nickel saprolite ore. The agreement states that the title and risk shall pass once the nickel saprolite ore are stockpiled at AMVI's mining site. Both offtake agreements with Tewoo state the specified qualities of the nickel ore that shall be sold by AMVI.

The Agata DSO Project operations began in October 2014 consisting of shipments of approximately 55,000 WMT of high-iron/low nickel ore every three to four weeks generating revenue of ₱391.3 million for the year ended December 31, 2014. As of June 30, 2015, AMVI successfully delivered all its shipments to Tewoo and generated revenue of ₱238.6 million. There were no agreements entered with Tewoo for the sale of nickel for the period ended June 30, 2015 and years ended December 31, 2013 and 2012.

<u>Hongkong Yinyi Mineral Investment Limited</u>

On June 2, 2015, AMVI entered into three offtake agreements with Hongkong Yinyi Mineral Investment Limited ("Yinyi"), a company incorporated under the law of Hongkong for the sale of nickel ore located within the municipalities of Tubay, Santiago and Jabongga in the province of Agusan del Norte. Of these agreements, two pertain to limonite shipments and one for saprolite shipment of 55,000 WMT each. These agreements state the minimum moisture, nickel and iron content that the Company should deliver.

On June 25, 2015, AMVI entered into two offtake agreements with Yinyi for the sale of its nickel saprolite ore involving two shipments of 55,000 WMT each with a minimum moisture and nickel content of 33-35% and 1.5%, respectively.

As of June 30, 2015 and June 2014, AMVI generated revenue from Yinyi of ₱266 million and nil, respectively. There were no agreements entered with Yinyi for the sale of nickel for the years ended December 31, 2014, 2013 and 2012.

Other Agreements

(a) Investment Agreement

On December 11, 2013, the Company entered into an Investment Agreement relating to the proposed investments by Prime Resources Holdings, Inc. (PRHI), a wholly-owned subsidiary of Prime Asset Ventures, Inc. (PAVI). The Investment Agreement comprising the Transactions, sets out the terms of PRHI's investment in the Company, the various agreements, timing, conditions and corporate actions necessary to effect the Transactions. To enable and support the issuance of TVIRD's shares equivalent to 68.42% equity interest to PRHI, TVIRD filed an application for amendment of its Articles of Incorporation with the Philippine Securities and Exchange Commission (SEC) providing for the increase in the authorized capital stock from One Hundred One Million Pesos (₱101,000,000) divided into Fifty Million Five Hundred Thousand (50,500,000) Class A Shares and Fifty Million Five Hundred Thousand (50,500,000) Class B Shares to Five Hundred Million Pesos (₱500,000,000) divided into Fifty Million Five Hundred Thousand (50,500,000) Class Shares and Four Hundred Forty Nine Million Five Hundred Thousand (449,500,000) Class B Shares (the "Capital Increase").

The transaction provided US $11.85 million to TVIRD, before tax and related fees, while a net $850,000 was used to repurchase all of the outstanding Class A shares of TVIRD.

On December 13, 2013, $2 million was advanced by PRHI to the Company as partial of PRHI's proposed investment in the Company. As part of the Initial Closing, the parties also entered into a Shareholder Agreement at the time of the Initial Closing, which provides for, among other things, certain shareholder protections for TVI International Marketing (TVIIM), shareholder of TVIRD, including anti-dilution protections, minority voting requirement in certain circumstances and spending controls.

An amount of $11.35 million was placed in an escrow account to satisfy certain additional amounts to be invested by PRHI in subsequent closing.

On January 10, 2014, shortly after the approval of the Philippine SEC of an increase in the authorized capital stock of TVIRD, the amount placed in escrow account was released to repurchase all of the TVIRD's outstanding Class A Shares in consideration of the payment by the TVIRD to the Class A Holders of the Class A Shares Repurchase Price. All funds received from PRHI are expected to be used by the Company for working capital purposes and to further advance various projects, as well as to undertake certain restructuring transactions affecting its subsidiaries and affiliates including the repurchase of all outstanding Class A shares of the TVIRD.

(b) Joint Ventures Agreements

(i) On February 1, 2011, the TVIRD and Rock Energy Corporation ("Rock Energy") entered into a Head of Terms Agreement preparatory to entering into an unincorporated Joint Venture Agreement for the exploration up to resource definition of six coal blocks.

Thereafter on April 15, 2011, the TVIRD and Rock Energy executed a Joint Venture Agreement for the exploration and development of the aforementioned coal blocks. The Joint Venture interest will be 80% for the TVIRD and 20% Rock Energy, with Rock Energy acting as operator for the Exploration Stage and the Parent Company acting as the operator for development and production. The joint venture partners will fund an exploration program for a period of two years to be shared in accordance with their interests in the Joint Venture.

The Company has no joint venture transactions and balances with Rock Energy as at and for the six months ended June 30, 2015 and for the years ended December 31, 2014 and 2013.

(ii) On February 17, 2012, TVIRD and Paraiso Consolidated Mining Corporation ("PACOMINCO") entered into a Head of Terms Agreement (HOA) preparatory to entering into an unincorporated Joint Venture Agreement for the exploration of 1,620 hectares of mineral property located in Monkayo, Compostela Valley.

Pacominco entered into a Joint Operating Agreement with the Philippine Mining Development Corporation (PMDC) for the exploration and operation of 1,620 hectares of mineral property in Monkayo, Compostela Valley. TVIRD expressed its intent to invest in equity of Pacominco and enter into an operating/joint venture agreement with Pacominco. The Parent Company is in the process of conducting legal and technical due diligence in the property and of as to date has acquired 10% equity in Pacominco. If the technical and legal due diligence yield positive results, the Parent Company will decide if it will proceed with spending more money on the property.

On July 27, 2012, TVIRD and Pacominco amended the terms of the HOA specifically the provision on the legal and technical due diligence and the issue of access of the Parent Company to the property in the conduct of its technical due diligence.

On October 5, 2012, TVIRD issued a formal notice to terminate the exploration, development, utilization and operation of Pacominco's Property as contained in the HOA as entered by both parties. There are no outstanding balances for this project as at June 30, 2015, December 31, 2014, 2013 and 2012.

(iii) As approved by the TVIRD's Board of Directors on July 4, 2012, TVIRD, TVI Pacific Inc., (TVIP) and Mindoro Resources Ltd. (Mindoro) entered into an HOA dated July 6, 2012, which sets out the terms of various transactions between the parties including joint venture arrangements on mining properties in the Philippines. Pursuant to the HOA, the parties signed and executed agreements creating the following companies on September 25, 2012.

<u>Agata Mining Ventures, Inc (AMVI)</u>

TVIRD has the right to earn a 60% interest in the AMVI upon commencement of commercial production ("Mining Operation"), subject to (i) the Parent Company having expended a minimum of C$2 million within 12 months of the date of the agreement, and (ii) commercial production at Agata having commenced within 3 years of the date of the agreement. Further, TVIRD is required to fund all expenditures associated with the establishment of the mining operations. TVIRD has complied with these conditions and now owns 60% of AMVI. The remaining shares are held by MMMEC and MRL.

<u>Agata Processing, Inc (API)</u>

The Parent Company has the right to earn a 60% interest in the API upon delivery of a definitive feasibility study respecting nickel processing at Agata (including pilot-scale metallurgical testing, third-party engineering studies and documentation), subject to the Company having expended a minimum of C$2 million within 12 months of the date of the agreement and completing the definitive feasibility study within 4 years of the date of the agreement. In addition, the Parent

Company is required to fund all required expenditures associated with the preparation of the definitive feasibility study.

As of September 30, 2014, TVIRD has completed its requirement to spend a minimum of C$2 million and has earned 45% of shares in API, which remain in escrow until satisfaction of other requirements. The remaining shares are owned by MMEC and MRL.

Pan de Azucar Mining Ventures, Inc (PDAMVI)

TVIRD has the right to earn a 60% interest in the PDAMVI by: (i) making minimum aggregate expenditures of C$2 million in respect of the Pan de Azucar mining project prior to the first anniversary of the date that a declaration of mining project feasibility is issued in respect of that project (the "Feasibility Declaration Date"); and (ii) sole funding the Pan de Azucar mining project to the point of commercial production, provided commercial production is achieved on or prior to the third anniversary of the Feasibility Declaration Date. The agreement contemplates that TVIRD will make expenditures in respect of the Pan de Azucar mining project in an aggregate amount of not less than C$500,000, prior to the date that is 12 months following the date of that agreement, as TVIRD considers appropriate in its discretion (which may include the payment of occupation fees and amounts associated with minimum work programs required by applicable governmental authorities in the Philippines under the terms and conditions of the applicable Pan de Azucar title documents), with any such expenditures being creditable against the C$2 million of aggregate aforementioned expenditures.

Pan De Azucar Processing, Inc. (PDAPI)

TVIRD has the right to earn up to a 60% interest in the PDAPI in two stages as follows: (i) a 51% interest, by making minimum aggregate expenditures of C$2 million in respect of the Pan de Azucar processing project on or prior to the first anniversary of the date that a declaration of mining project feasibility is issued in respect of the processing project (the "Processing Declaration Date"); and (ii) a 9% interest by making additional minimum aggregate expenditures of C$3 million in respect of the processing project on or prior to the fourth anniversary of the Processing Declaration Date. The agreement contemplates that the TVIRD will make expenditures in respect of the Pan de Azucar processing project in an aggregate amount of not less than C$500,000, prior to the date that is 12 months following the date of that agreement, as the Parent Company considers appropriate in its discretion (which may include the payment of occupation fees and amounts associated with minimum work programs required by applicable governmental authorities in the Philippines under the terms and conditions of the applicable Pan de Azucar title documents), with any such expenditures being creditable against the C$2 million of aggregate expenditures noted above.

All of the companies above are incorporated in the Philippines.

As indicated, the PDAMVI and PDAPI Agreements initially contemplated that TVIRD would make expenditures in respect of each Agreement in an aggregate amount of not less than C$500,000, prior to the date that is 12 months following the date of each Agreement, as TVIRD considers appropriate in its discretion, with any such expenditures being creditable against the $2 million of aggregate expenditures noted above. On June 18, 2013, TVIRD's minimum spending commitments pursuant to each Agreement were extended by one year, from December 31, 2013, to December 31, 2014. As of June 30, 2015, however, the minimum spending commitments had not been met.

Supply of Raw Materials and Infrastructure

Access and Transportation – The Project area in Tubay, Agusan del Norte is accessible either from Surigao City or from Butuan City by approximately a one and a half hour drive via the Pan-

Philippine Highway to Brgy. Bangonay intersection in Jabonga, Agusan del Norte, thence, via a 10 kilometer all-weather municipal road towards the mine site. The Project area may also be accessed via sea, docking at either the Nasipit Port in the Municipality of Jabonga or the Surigao Port in Surigao City.

The road network within the Project area used for access and equipment mobilization are all-weather dirt roads with total length of approximately eight to twelve kilometres. Road widths typically range from five to ten meters and are designed for two-way traffic, accommodating the largest haulage unit. The road network will occasionally be adjusted depending on the mine development and progressive rehabilitation of the disturbed areas. Additional access roads are also planned for construction to connect the existing barangay roads to the Project site.

Water – Water demands for the mining operation include domestic and potable water and environmental management water. Non-potable water is sourced from the local springs within the Project area and is treated using a combination of slow sand filtration and chlorination system. This water is only used for the daily requirements of the camp for cleaning and bathing, equipment washing, dust suppression and nursery operation. The preliminary raw fresh water requirement is estimated to be at 96 cubic meters per day.

The potable or drinking water is being supplied by a commercial water refilling station in Cabadbaran City. However, a Reverse Osmosis plant is planned to be installed on site for an in-house potable water supply.

Power – The power consumption rate for the daily operational activities at the Project site is averaged at 974 Kwh per day. This accounts for the combined power utilization of the camp and administrative offices, the Assay Laboratory and the Port Facility. Approximately 98% of the total power demand is sourced from multiple diesel engine- generator sets while the remaining 2% is supplied by the Agusan Norte Electric Cooperative ("ANECO"). Standby generator sets are also available during possible blackout periods.

The main mining contractor is 4K Development Corporation. The main supplies that our mining contractor require to operate our business include diesel fuel, tires and spare parts for the mining equipment. The contractors purchase its diesel fuel from Shell and Petron Corporation and heavy mining equipment such as trucks and excavators from three manufacturers, namely: Komatsu, Volvo and Caterpillar, through their Philippine distributors Maxima Machineries, Civic Merchandising and Monark Equipment Corporation, respectively. Barges are also supplied by the mining contractor. In addition, the Company mines a certain area in the mine pit using equipment on a lease arrangement from Delta Earthmoving, Inc. and other local contractors. There are several other alternative suppliers for all of our requirements.

Competition

The Company's sales from various mineral concentrates are based on internationally accepted pricing in the world market. Since no one mine can affect international metal prices, competition among mining companies is virtually non-existent.

The Company is not aware of any competitor that affects its ability to engage in and operate its business. Each mining concession grants the concessionaire exclusive rights to operate within the concession area covered thereby. While other nickel mining companies do exist in the country, the prevailing seller's market positively affects nickel producers. The favorable market condition is coupled by China's continuously growing demand for nickel ore. Therefore, the challenge for the Company lies in keeping-up with the market's growth.

In 2015, experts expect an overall year-on-year growth for the industry in China with projected nickel ore import figures exceeding that of 2014. While the market stimulus will not come from the after-effect of Indonesia's export ban like in 2014, this year's growth will arise from the need to build an even greater inventory after the massive de-stocking in recent months.

The market effects on the Company remain the same: there is an impetus to focus on mid and high-grade ore to optimize financial returns as demand will be hinged on this type of material. While it is unlikely that historic highs in terms of prices will be experienced again, experts say that prices will continue to hover in this current range and will pick-up by the second half of 2015. By virtue of being the default largest supplier in the world today, Philippine nickel ore will continue to be consumed by China.

It also becomes more apparent that in order to succeed under the present conditions, cost efficiency will be vital in ensuring competitiveness to keep-up with demand.

COMMITMENT TO ENVIRONMENTAL MANAGEMENT AND PROTECTION

As an extractive industry, mining will always have some level of both short-term and long-term environmental impact. TVIRD's primary objective is to minimize its impact footprint, to implement appropriate and best practice measures to control the impacts, and to promote restoration and rehabilitation that best support the needs of the community and the natural environment. The company's corporate environmental policy guides this process and commits TVIRD to a course of responsible mining and sustainability.

The development and implementation of environmental management and protection programs is an ongoing activity at each of the TVIRD projects during all phases of project development, operation and closure. It has a wide ranging portfolio of activities that includes monitoring of various environmental parameters, regulatory agency reporting and permitting, rehabilitation of disturbed areas, design and construction of environmental management facilities, environmental impact and mitigation assessment, and implementation of various environmental-based research programs.

Since the beginning of operations at the Canatuan Mine in 2004, a number of data collection and management systems have been put in place to support the environmental management programs. These systems also support regulatory reporting needs and provide a basis for developing and refining future reclamation and restoration plans in the post-mining environment.

The environmental programs at TVIRD's operating mines and exploration sites are audited by government regulatory agencies on a regular basis. Quarterly environmental monitoring is performed by a multi-partite monitoring team composed of regulatory agency personnel, host community representatives, local and regional government units and non-governmental organizations. Other non-scheduled audits are also done by various government agencies throughout the year.

Internal monitoring and audits are conducted by the TVIRD Environment Department throughout the year on both a scheduled and non-scheduled basis. Any deficiencies or issues identified during the monitoring and audits are documented. The causes are then identified and discussed with the responsible parties. Subsequently, corrective actions are scheduled for implementation.

TVIRD also implements company-wide and community-wide training and education programs to introduce employees and community members to environmental management techniques and environmental risks. Ongoing research activities focus on a wide variety of environmental risk and management topics. Environmental specialists and consultants from both the regulatory and private sectors are engaged as needed in order to evaluate operations, address impacts and participate in research programs.

TVIRD's overall goal is to prevent the occurrence of any significant environmental incidents and fully comply with all regulatory standards. Operations, monitoring and reporting are identified within the Environmental Compliance Certificates (ECC) issued for its projects. These represent the minimum level of compliance. Our objective is to strive to exceed these compliance requirements wherever and whenever possible. These efforts have been recognized by the regulatory agencies and a number of environmental awards have been presented to the Company.

In the past years, TVIRD received multiple prestigious awards at the annual Presidential Mineral Industry Environmental Awards ceremony such as, Health and Safety Award (2010), Mining Forest Award (2010), Titanium Award for Excellence in Environmental Management (2011), Presidential Mineral Industry Environmental Award – Platinum Award (2012).

Below are the multiple prestigious awards received by TVIRD for the Canatuan Project and the AMVI Project:

Canatuan Gold-Silver-Copper Project

- 2013 Presidential Mineral Industry Environmental Awards-Titanium Surface Mining Category
- 2013 Safest Mineral Processing (Concentrator Category)-Winner
- 2013 Best Mining Forest Program-2nd Runner Up Metallic Category
- 2012 Safest Mining Operation (Metallic Category)-Winner
- 2012 Presidential Mineral Industry Environmental Awards-Platinum for Surface Mining Category
- 2012 Safest Mineral Processing (Concentrator Category)-Winner
- 2012 Best Mining Forest Program- 3rd Runner Up Metallic Category
- 2012 Safest Surface Operation Award-Winner
- 2012 Finalist for Excellence in Environment and Economy Award of the Philippine Chamber of Commerce in Industry
- 2011 Presidential Mineral Industry Environment Awards-Titanium Surface Mining Category
- 2011 Safest Mines Awards-Winner Safest Surface Operation
- 2011 Safest Mines Awards-Winner, Safest Mineral Processing (Concentrator Category)
- 2011 Overall Winner, Safest Mining Operation
- 2010 Presidential Mineral Industry Environmental Awards- Platinum Surface Mining Category
- 2010 Best Mining Forest Program-3rd Runner Up Metallic Category
- 2010 Safest Mineral Processing (Concentrator Category)- 1st Runner Up

Agata Mining Ventures, Inc.

- 2013 Safest Exploration (category A)-Winner
- 2013 Recipient of Plaque of Recognition from DENR-CARAGA for exemplary contribution and eminent support in the Coral relocation Project in Tubay, Agusan del Norte
- 2013 Recipient of Plaque of Recognition from DENR-CARAGA for exemplary contribution ans eminent support in the Coastal Resource Management Program in Tubay, Agusan del Norte.
- 2012 Presidential mineral Industry Environmental Awards (PMIEA) recipient (Exploration Category)
- 2012 Best Mining Forest Program-Winner (Exploration Category)
- 2012 Safest Exploration (Category A)-Winner
- 2011 Presidential Mineral Industry Environmental Award recipient (Mineral Exploration Category)
- 2011 Best Mining Forest program-Winner (Exploration Category)
- 2011 Safest Exploration (Category B)-Winner
- 2010 Presidential Mineral Industry Environmental Awards- Platinum for Mineral Exploration Category
- 2010 Best Mining Forest Program- 2nd Runner Up (Exploration Category)
- 2010 Safest Exploration (Category A)-Winner

COMMITMENT TO RESPONSIBLE MINING

Quadrant of Development: Responsive Education

The Company subscribes to the principle that education is essential in advancing human rights, gender equity, social justice and a healthy environment in communities that host its operations. There can be no sustainable future without a responsive and inclusive education system.

In implementing its Responsive Education initiatives as a major component of its Quadrants of Development, TVIRD engages other public and private sector partners to ensure that programs for the advancement of education are relevant to its beneficiaries.

Subanon children now have better classrooms, schools, and learning facilities that are manned by sufficient number of teachers, many of whom are company-paid.

TVIRD views education as a lifelong, holistic and inclusive process. That is why the company's education program extends to toddlers through day care centers; to children and adolescents through schools and teachers, learning tools and instructional equipment; to adults through organized literacy programs; and to parents through seminars on gender sensitivity and responsible parenthood. TVIRD also makes sure that affected communities are knowledgeable about its operations and activities as well as the mining industry in general through intensive information-education-communication (IEC) campaigns, which have resulted in growing positive interest and support from critical stakeholders.

Quadrant of Development: Health and Sanitation

The Company believes that human dignity directly relates to health, which in turn, is not possible without proper sanitation. By providing both health and sanitation facilities to host and impact communities that previously had no access to these basic services, TVIRD created a positive impact on the well-being and economic productivity of its beneficiary communities.

Members of the TVIRD medical team go to children and adults in far-flung rural areas to provide free vaccines during the anti-measles campaign. Members of the TVIRD medical team go to children and adults in far-flung rural areas to provide free vaccines during the anti-measles campaign.

TVIRD has taken its commitment to health and sanitation a step further by establishing a lying-in clinic operated by full-time doctors, nurses and midwives in Canatuan. Before this clinic opened, ill-stricken residents of the remote mountain villages had to travel at least two hours through inhospitable terrain to get to the nearest hospital. Today, many people from the Siocon town proper go to Canatuan for medical checkups and treatments. The clinic provides 24/7 emergency medical services and has received close to 14 thousand consultations and admissions in a single year alone.

The TVIRD Clinic has helped save hundreds of lives in a community whose residents previously had to travel 36 kilometers to the nearest hospital before receiving medical attention.

The company has also partnered with the Philippine government and non-government organizations in a regional effort to eradicate lymphatic filariasis – a mosquito-borne parasitic disease endemic in the remote areas of Mindanao. Moreover, the company has also conducted medical missions to several far-flung communities in Zamboanga Peninsula – something previously unheard of in these areas.

TVIRD donated community water systems that are now the source of potable water in four remote villages, benefiting over 250 households. TVIRD employees also braved the most inhospitable terrain and hostile weather to provide medical and dental care to thousands of residents in some of the remotest communities in Mindanao.

Quadrant of Development: Livelihood

TVI Resource Development Philippines Inc.'s (TVIRD) sustainable livelihood framework involves an assessment of community assets, adaptive strategies and technologies, and the analysis of policies and investment requirements to enhance livelihood opportunities for beneficiaries. The company believes that livelihood can be sustainable if it can cope with and recover from stress – such as the end of the mine's life – as well as maintain and enhance the capabilities of community members and provide sustainable opportunities for the next generation.

TVIRD's Sustainable Livelihood approach takes into consideration the community's strengths. This approach acknowledges that communities are both catalysts and subjects of change and that they have much strength and much knowledge about their own situation. This approach places a strong emphasis on sustainability in terms of economics, the environment and the social well-being of people in the community. It also uses empowerment rather than welfare, improves the productivity of existing livelihood systems and creates new opportunities on a sustainable basis.

A prime example of this approach is TVIRD's Farmer-Instructor Technician (FIT) program – a livelihood-through-agroforestry component of the company's Social Development and Management Plan (SDMP) for its indigenous Subanon hosts in Canatuan. Under FIT, the once semi-nomadic Subanons, who were used to the traditional and destructive slash-and-burn ("kaingin") farming method, demonstrated that they can easily adapt to the irrigated multi-cropping scheme using the rice terraces farming technology – the same technology applied by generations of Ifugao IPs in the mountainous terrains of Northern Luzon.

To further work for the empowerment of its beneficiaries, TVIRD will develop indicators to measure improvements in the host communities' livelihood systems and the sustainability of these systems.

Quadrant of Development: Infrastructure

The Company recognizes the important role that physical infrastructure plays in contributing to economic development – it is clearly a vital prerequisite for mobilizing progress in host communities. The company, however, also believes that sustainable development is a goal that emphasizes a long-term and generational perspective that integrates economic, environmental, social and cultural dimensions. As such, as TVIRD pursues its infrastructure initiatives as one of its quadrants of development, it also considers the impact of infrastructure on other aspects of well-being. The underlying principle is that strategically-planned infrastructure can provide significant improvements to other dimensions of sustainability.

For instance, TVIRD's participation in constructing bridges and the improvement of roads linking Canatuan to RT Lim town in the west and Siocon town in the east not only helped open economic opportunities for people in Zamboanga del Norte and Zamboanga Sibugay. It also provided greater access to education and health services that were difficult to come by in earlier years. These infrastructures have likewise allowed for better social interaction among citizens of the Zamboanga Peninsula – a melting pot of Muslim, Subanon and Christian cultures.

TVIRD will continue building infrastructure in communities where it operates, ever mindful of its impact on all dimensions of sustainable development.

Employees

TVIRD provides employment to the community where it operates.

The Company have 823 employees as of June 30, 2015. The breakdown of the Company's personnel based on their function and place of assignment is set forth in the succeeding matrices:

Location	Regular	Probationary	Project Based	Seconded	Fixed Term	Spot Hire	Total
Canatuan	-	-	55	-	4	-	59
Balabag Project/BCM	3	-	25	-	-	-	28
TVI Makati	38	3	-	-	-	-	41
AMVI Makati	5	-	-	-	-	-	5
AMVI-Agusan	20	7	358	15	-	270	670
API	1	-	1	-	-	-	2
PDA	-	-	3	-	-	-	3
EDCO	9	-	6	-	-	-	15
	76	**10**	**448**	**15**	**4**	**270**	**823**

Location	Operations	Admin	Clerical	Total
Canatuan	-	52	7	59
Balabag Project/BCM	-	27	1	28
TVI Makati	2	32	7	41
AMVI Makati	-	3	2	5
AMVI-Agusan	643	20	7	670
API	2	-	-	2
PDA	-	3	-	3
EDCO	6	9	-	15
	653	**146**	**24**	**823**

The Company's employees have no labor union nor organization. Furthermore, the Company does not currently anticipate any significant increase or decrease in the number or allocation of its employees over the next twelve months.

Employee benefits

Other than wages and salaries, the Company provide to its employees retirement benefits, paid annual vacation and sick leave credits, and other non-monetary benefits such as health, group life and accident insurance coverage.

The Company maintains a non-contributory defined benefit retirement plan. The retirement plan defines a certain amount of gratuity that an employee will receive upon retirement, based on factors such as age, years of credited service, and compensation. Assets of the retirement fund are under the management of a trustee bank for the benefit of the employees. The Board of Trustees of the retirement fund approves contributions and investment activities relating to the fund.

The Company also pays termination benefits in cases when the employment is terminated before the normal retirement date, or whenever the employee accepts redundancy/retrenchment in exchange for these benefits.

PROPERTIES

Please refer to the section on Description of Properties for a discussion on the description and the condition of the principal properties of the Company.

LEGAL PROCEEDINGS

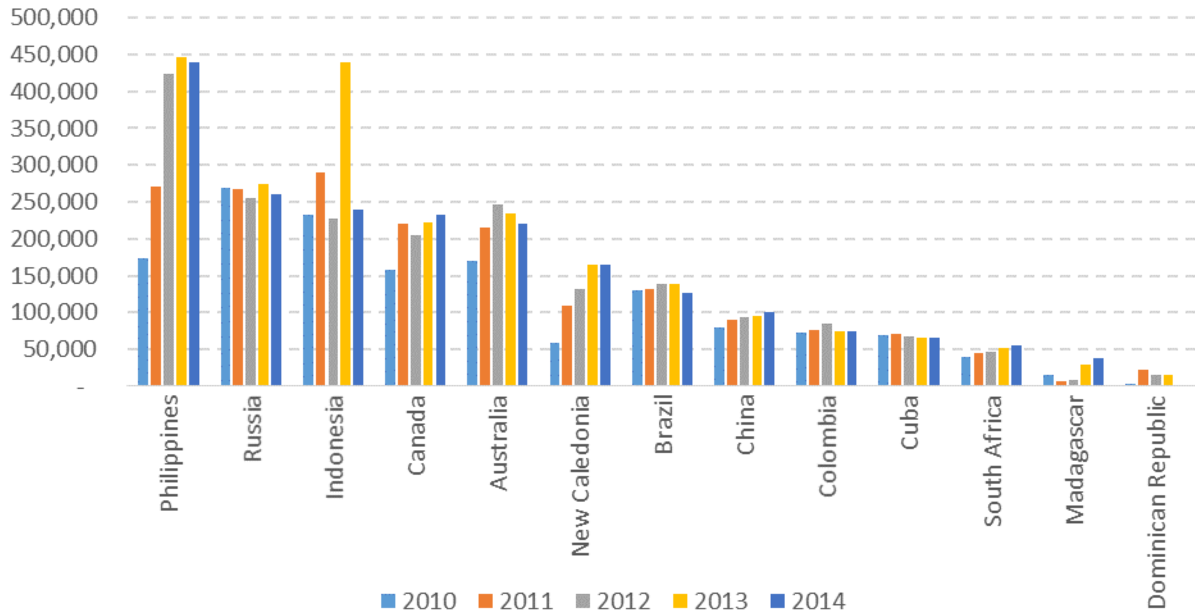
The Company is a party to certain other proceedings arising out of the ordinary course of its business, including legal proceedings with respect to tax, regulatory and other matters. While the results of litigation cannot be predicted with certainty, the Company believes that the final outcome of these other proceedings will not have a material adverse effect on its business, financial condition or results of operations.

NICKEL

The Philippines' nickel ore reserves have been assessed to stand at 1.1 million metric tons ("MT"), out of the world nickel reserves of 74 million MT as estimated by the U.S. Geological Survey in 2014. As such, together with Colombia, the Philippines ranks eleventh among countries where geographical concentration of nickel ore reserves are the highest. The Mines and Geosciences Bureau has identified nickel as one of the Philippines' top mineral export, accounting for 58% of the country's total production value of US$4.01 million in 2014, along with gold and copper, which accounted for 24% and 16%, respectively.

More importantly, however, the Philippines is among the world's top nickel-producing countries. Furthermore, following the moratorium imposed by the Indonesian government against their export of unprocessed mineral ore, the Philippines further cemented its position as the top producer of nickel in 2014, with an estimated production of 440,000 MT, accounting for over 18% of global nickel mine production during the year. Philippine nickel production in 2014 was almost twice the production levels of Russia (260,000 MT) and Indonesia (240,000 MT).

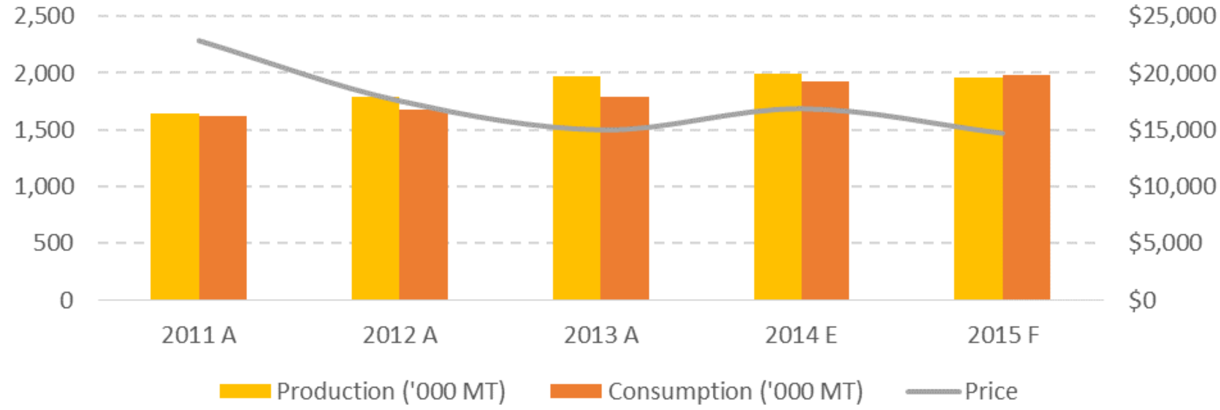
Figure 1: Global nickel mine production
In metric tons



Source: U.S. Geological Survey, Statista.

On the global demand side, China has typically cornered the bulk or about 90% of nickel ore imports. China largely used nickel to produce nickel pig iron ("NPI"), or low-grade ferronickel used as an alternative to pure nickel for stainless steel production. Japan, meanwhile, ranked a far second in global nickel ore imports with a mid-single-digit share in the past several years. Japanese imports were used mainly for production of ferronickel and refined nickel.

Figure 2: Refined nickel supply vs. demand



Source: International Nickel Study Group, FastMarkets.

Global nickel prices remained weak in the first half of 2015, as LME inventories continued to rise to record highs. Nickel prices were also bogged down by soft demand from stainless steel producers, China's higher-than-expected production of NPI (a substitute), and the general destocking of refined nickel. With Indonesia's ore export ban remaining in place, the market is seen to potentially tighten in 2016. Moreover, it has been observed that China has been drawing on the hefty inventories it has built up before the ban was instituted, and that it has increased its imports of lower grade nickel ore from the Philippines. According to the World Bank, the market may further tighten once China depletes its existing inventories, as the Philippines alone cannot replace the production shortfall from Indonesia.

Figure3: Nickel spot prices

In US$/metric ton

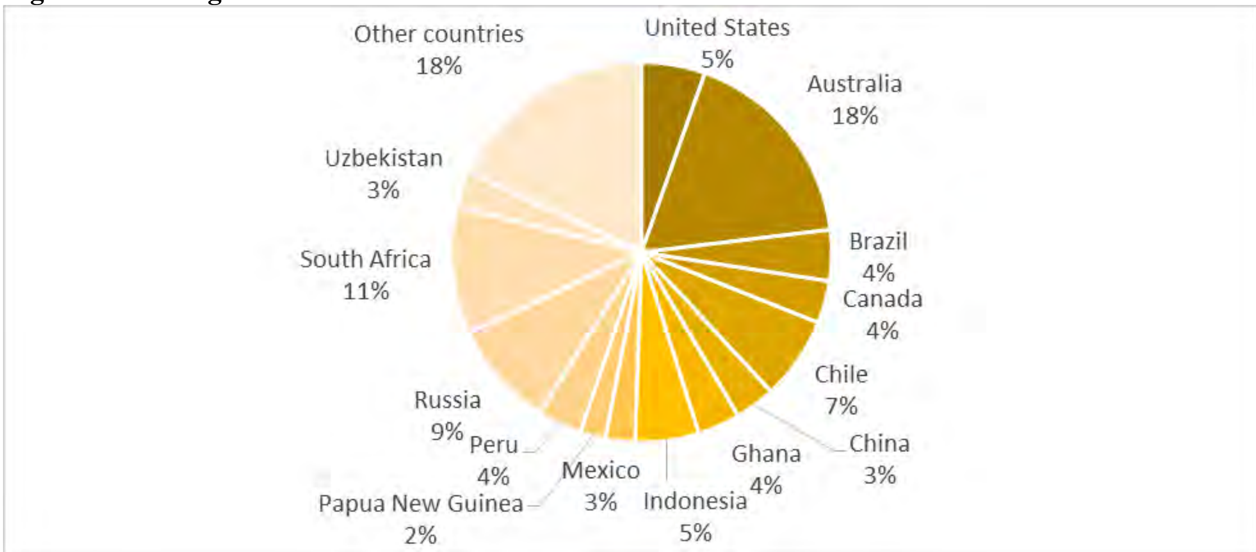
Source: Bloomberg.

GOLD

Inarguably the most precious metal, gold has long been highly sought after due to its medium rarity, malleability, ductility, resistance to corrosion and most chemical reactions, and bright lustrous color, among others. According to industry data, about half of the global consumption of gold can be attributed to jewelry, with around 40% accounted for by investments, and the remaining 10% ascribed to industrial use. Based on data from the Mines and Geosciences Bureau, gold accounted for a quarter of the Philippines' 2014 total mineral production of US$4.01 million.

World gold reserves stand at about 55,400 MT, according to the latest data collated by the U.S. Geological Survey. The survey listed Australia as to having the most gold reserves, accounting for as much as 18% of the global reserves, followed by South Africa, which was listed with 11%.

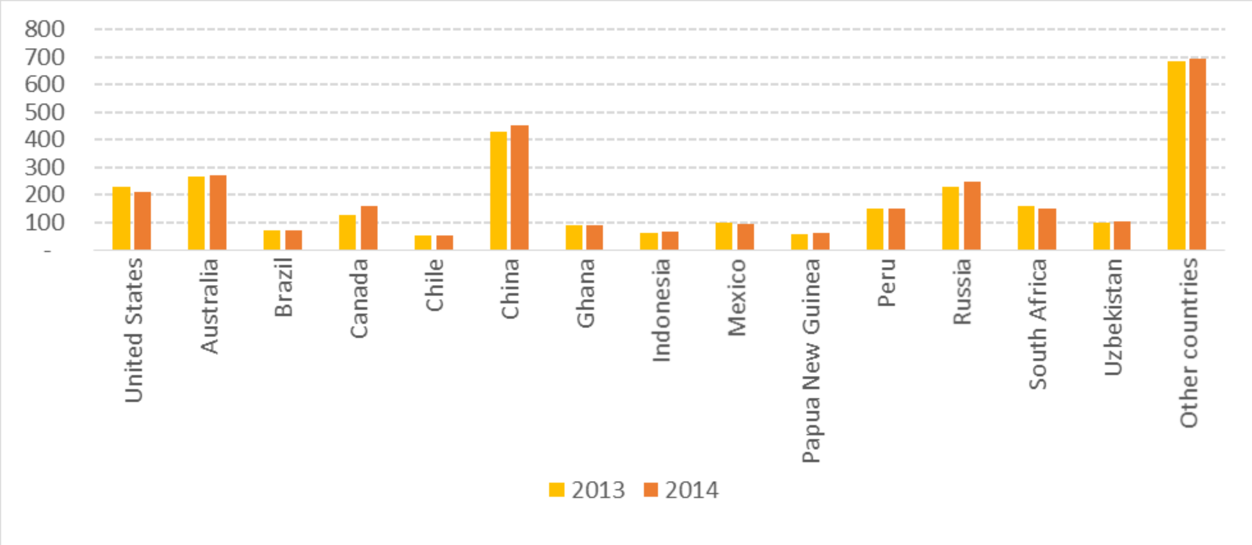
Figure4: World gold reserves



Source: U.S. Geological Survey.

According to the U.S. Geological Survey, global gold production inched up by 2% in 2014 vis-à-vis 2013. Australia, Canada, China, the Dominican Republic, and Russia hiked their respective outputs at rates more than sufficient to compensate for the lower production turnover by Peru, Tanzania, South Africa, and the United States. China retained leadership in world gold production, followed by Australia, Russia, the United States, Peru, and Canada. Gold mine supply is seen to continue its solid growth, owing to declining costs, backed by the depreciating currencies of producer countries.

Figure5: Global gold mine production
In metric tons



Source: U.S. Geological Survey.

2014 saw weaker global investment demand for gold due to depressed prices, particularly in China and India. There had also been diminishing gold being stored in exchange-traded funds within the past two years, but Central Banks continued to purchase gold bullions.

Figure6: Gold spot prices
In US$/oz

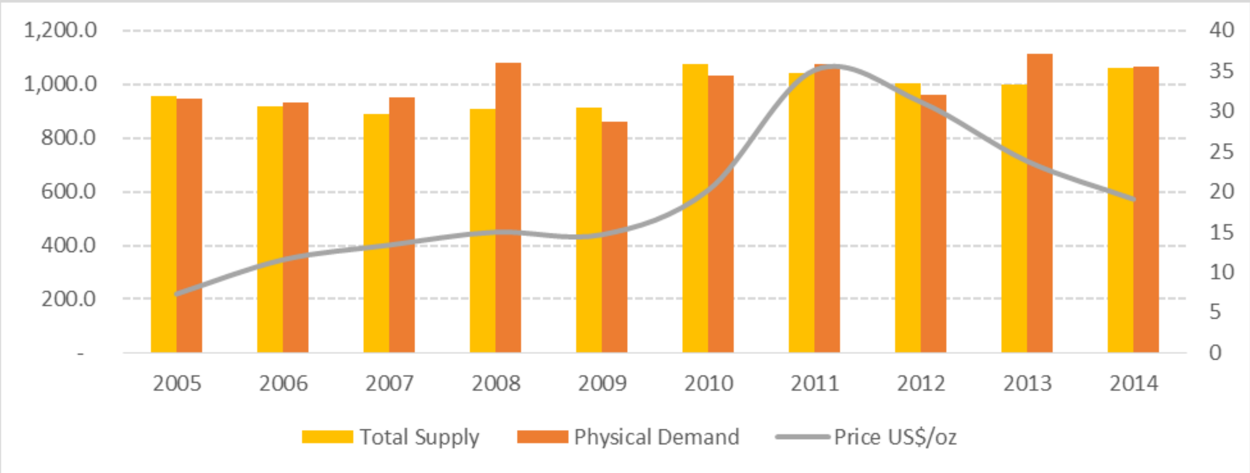
Source: Bloomberg.

Gold has witnessed softening prices in the past two years—with 2014 seeing a 10% downtrend year-on-year, and 2013 coming off by a hefty 24% against the record-high seen in 2012. Analysts believe that the lackluster prices of gold is a manifestation of the lack of confidence in gold as an investment haven. It is important to note that muted prices could weigh down producers' margins, which could in turn lead to lower capital expenditures and subsequently muted growth going forward.

SILVER

Total demand for physical silver was recorded at 1.07 billion ounces in 2014, the fourth highest level since 1990, but representing a 4% drop compared to 2013 level. According to the World Silver Survey 2015, the decline was on the back of lower demand from coin and bar production, which saw a record year in 2013.

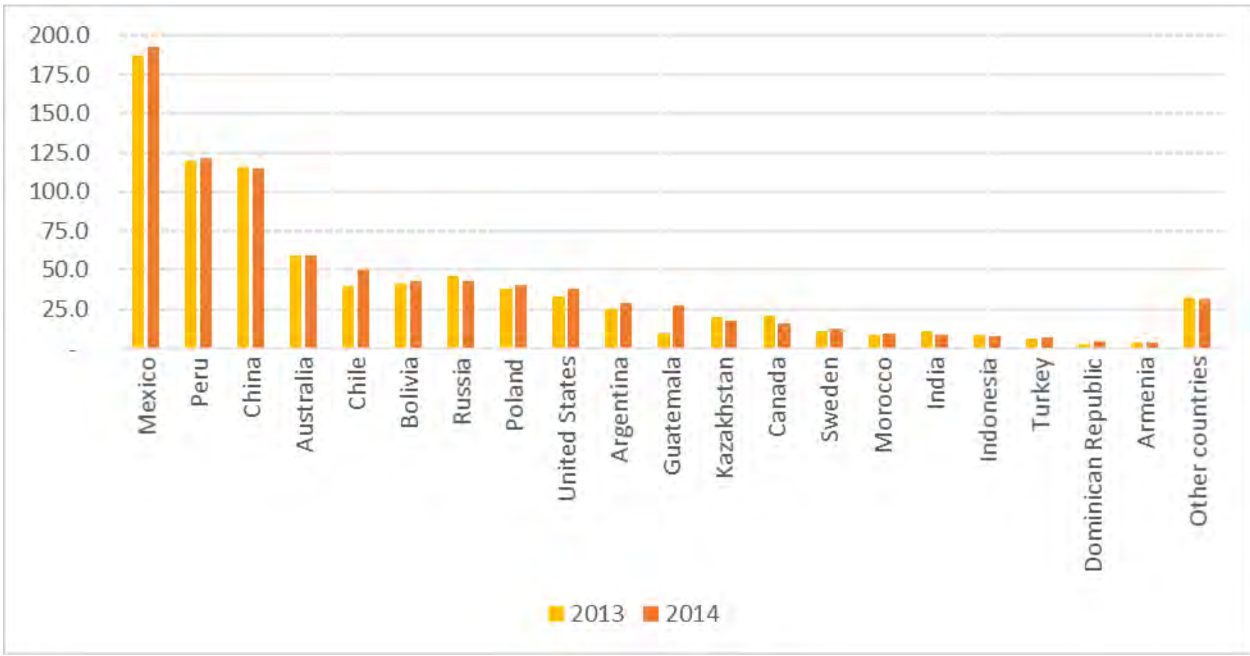
Figure7: Global silver supply and demand
In million ounces



Source: The Silver Institute, GFMS, Thomson Reuters.

The demand for physical silver is principally driven by industrial applications, which typically account for over half of total consumption. In 2014, industrial use accounted for 56% of total physical silver demand, lower by a mere 0.5% vis-à-vis 2013 level. In regional terms, industrial demand coming from China and Taiwan, which increased by 4% year-on-year in 2014, was insufficient to compensate for the weaker demand in more advanced countries. Research also showed that industrial demand from China continues to grow, with 2014 marking its fifth consecutive year of growth.

Figure8: Global silver mine production
In million ounces



Source: The Silver Institute, GFMS, Thomson Reuters.

Prices of silver mirrored those of gold, with investor demand remaining generally subdued. Industrial demand continues to improve and prop up demand especially for certain applications, but silver's significance in electronics has been further diminished. Mine supply has meanwhile continued expanding, driven by Asia and the Americas.

Figure9: Silver spot prices
In US$/oz

Source: Bloomberg.

LIMESTONE

TVIRD's preliminary assessment of its exploratory drill data suggests that the metamorphosed limestone is relatively clean with minimal to negligible impurities of iron and other base metals. Clay materials occur as fracture fills but can be easily removed through washing. These indicate that the deposit contains high-purity limestone.

High-purity limestone is in great demand as a paper coating and whitener for the paper-making industry; as filler in the production of plastics, paints and adhesives; and as calcined and hydrated lime for a variety of industrial purposes. The Payong Payong limestone can also be used as dimension stone in construction and architecture including facing stone, floor tiles, stair treads, window sills and many other high-value applications. Market prices for high-purity limestone generally range from US $50 to over US$700 per metric ton depending on market application, quality and fineness of the product.

MANAGEMENT OF THE COMPANY

DIRECTORS, EXECUTIVE OFFICERS & KEY PERSONS

The overall management and supervision of the Company is vested in its board of directors. The Company's officers and management team cooperate with its Board by preparing relevant information and documents concerning the Company's business operations, financial condition and results of operations for its review and action. At present, the Board consists of seven members, including two independent directors in accordance with the requirements of the Securities Regulation Code. All of the Company's directors, except for its independent directors, were elected at the Company's annual stockholders' meeting held on August 07, 2015 and will continue to serve as such until the next annual stockholders' meeting or until their successors have been duly elected and qualified. Messrs. Luis R. Ramos and Patrick V. Caoile, the Company's independent directors, were elected on ● and will continue to serve as such until the next annual stockholders' meeting or until their successors have been duly elected and qualified in accordance with the requirements of the Securities Regulation Code.

Members of the Board of Directors

Information on each member of the Company's Board of Directors as of August 07, 2015 is set out in the table below.[9]

Name	Age	Position	Citizenship
Clifford M. James	69	Chairman	Canadian
Manuel Paolo A. Villar	39	Vice Chairman	Filipino
Eugene T. Mateo	67	President	Filipino
Michael G. Regino	54	Director	Filipino
Maryknoll B. Zamora	44	Treasurer/Controller	Filipino
[Jerry Navarrete]	60	Director	Filipino
[Marcelino Mendoza]	62	Director	Filipino
[Luis R. Sarmiento]	[●]	Independent Director	Filipino
[Patrick V. Caoile]	56	Independent Director	Filipino

The business experience of each of the Company's directors for the past five years are described below.

Clifford M. James, 69, Canadian, is the founding and incumbent Chairman of the Board of Directors of the company. He has 45 years of experience in business management in the natural resource sector. He spearheaded the company's activities in the Philippines and was responsible for bringing the Canatuan Mine onstream. He is the Founder, Chairman, President & Chief Executive Officer of TVI Pacific, Inc., a Canadian resource company listed on the TSX Venture

[9] The election of regular and independent directors who shall occupy the newly-created seats in the board remains pending until the approval by the SEC of the amendment of the Company's articles of incorporation to increase the number of seats in the board of directors.

Exchange, Director and Interim Chairman of Mindoro Resources Limited, a Canadian resource company listed on the TSX Venture Exchange with resource assets located in the Philippines, Director of Foyson Resources Ltd., a resource company listed on the Australian Stock Exchange with resource assets located in Papua New Guinea, Chairman/President of SeaJay Management Ltd., Chairman/President of Regent Parkway 3202 Management Inc., and Chairman/President of FCI Prime Properties, Inc. He worked in various capacities in North America, Africa and Asia in both Oil & Gas and Mining. He has degrees in Bachelor of Science in Geology (with honors), Master of Science in Geology and Ph. D studies in Geology.

Manuel Paolo A. Villar, 39, Filipino, is the Vice-Chairman of the Company. He has 20 years of experience in business management. He joined the company in January, 2013. He is the President & Chief Executive Officer (CEO) of Vista Land & Lifescapes, Inc. ("Vista Land") since 2011 until present. Before becoming President & CEO of Vista Land, he was the Chief Financial Officer from 2008 to 2011. He was also the Head of Corporate Planning of Crown Asia Properties Inc. He has degrees in Bachelor of Science in Economics and Bachelor of Applied Science.

Eugene T. Mateo, 67, Filipino, is the President of the Company. He is a Lawyer and a Certified Public Accountant (CPA) with 45 years of experience in finance and business management. He joined the company in September, 1995 as Vice President for Finance and Administration and he was appointed President in January 2005. He is also the Chairman of Agata Mining Ventures Inc., President of Agata Processing Inc. and Vice-President of Exploration Drilling Corporation. He was the Vice President for Finance of the Philippine Global Communications, Inc. a member of the faculty of an undergraduate and graduate school of business and the Chairman of the Board of Accountancy, Professional Regulation Commission. He has degrees in Masters of Business Administration, Bachelor of Laws (Class Salutatorian) and Bachelor of Business Administration major in Accounting (Cum Laude).

Michael G. Regino, 54, Filipino, is a Director of the Company. He has 35 years of experience in business management. He joined the company in January 2014. He is the President of Agata Mining Ventures, Inc., Exploration Drilling Corporation and San Agustin Mining Services Inc. and the Senior Vice President of St. Augustine Gold and Copper Ltd. He is also a Member of the Board of Directors of Kingking Mining Corp. and Nationwide Development Corporation. He was President of MGS Building Solutions, Golden Haven Memorial Park Inc and Primewater Resource Corp., and the Finance and Treasury Manager of Northern Foods Corp., and a member of the faculty of a school of business. He has degrees in Masters of Business Administration and Bachelor of Arts major in Economics (Cum Laude).

[Jerry M. Navarrete, 60, Filipino, is a Director of the Company. He graduated from Lyceum of the Philippines with a Bachelor in Science in Economics and from Ateneo de Manila University with a Master's Degree in Business Administration. He is a Director of Starmalls Inc. and has more than 35 years experience with the Villar Companies with various senior management positions.]

[Marcelino Mendoza, 62, Filipino, is a Director of the Company. He also sits in the Board of Directors of Vista Land & Lifescapes, Inc. and is the Chief Operating Officer of MGS Corporation. He served as President of Camella Homes, Inc. from 2001 to 2003, and as the Chief Operating Officer of Communities Philippines, Inc. from 1992 to 1995. He holds a Master's Degree in Business Administration from the Ateneo de Manila University and a Certificate in Advance Course in Successful Communities from the Harvard University Graduate School of Design. Mr. Mendoza is a member of the Phi Kappa Phi International Honor Society. Well-respected in the Philippine real estate industry, Mr. Mendoza has served as President and Chairman of the Board (from 1996 to 1998) and Board Adviser (from 1999 to present) of the Subdivision and Housing Developers Association (SHDA).]

[Luis R. Sarmiento, ●, Filipino, is an Independent Director of the Company. He concurrently serves as the Business Manager of Orica Explosives Philippines Inc., a global publicly-listed mining services company which is headquartered in Melbourne, Australia. He has served Orica in various capacities for 31 years now, and he rose from the ranks to become the highest-ranking Filipino official of the company. A licensed mining engineer, he is also the current President of the Philippine Mine Safety and Environment Association (PMSEA) and has effectively led the Association since 2008 and transformed it into a more active industry stakeholder with a heart for the Filipinos and the communities. Engr. Louie Sarmiento is a graduate of B.S. Mining Engineering from the Mapua Institute of Technology in 1979. He also took the Management Development Program of the Asian Institute of Management (AIM) from May to July 1997.]

[Patrick V. Caoile, 56, Filipino, is an Independent Director of the Company. He is currently the President of Cerberus Corporation and Marian Security Agency, Inc. He is also a director of the Chamber of Mines and the club president of Lions Club District 301-A1Lingkod Bayan and Federation of Non-Metallic Association of the Philippines. Mr. Caoile also serves as a full-time member of the faculty of De La Salle University FMD RVR College of Business. He holds a Doctoral Degree in Economics, Master's Degree in Business Economics and Bachelor's Degree in Business Management (Honors Program) (Cum Laude).]

Maryknoll B. Zamora, 44, Filipino, is the Treasurer/Controller of the Company. She is a Certified Public Accountant (CPA) with 20 years of experience in accounting and finance. She joined the company in June 2014. She is the Head of Finance of Prime Asset Ventures, Inc. and a member of the faculty of a graduate school of business. She was Vice President of Finance & Administration/ Head of the Treasury and Investment of Alcorn Gold Resources Corp. from 1997 to 2010 and Audit Supervisor of Price Waterhouse Coopers, CPAs. She has degrees in Masters of Business Administration, Bachelor of Laws and Bachelor of Science in Accountancy (Cum Laude).

Resignation of Directors

To date, no director has resigned or declined to stand for re-election to the Board of Directors due to any disagreement with the Company relative to the Company's operations, policies and practices.

Executive Officers

In addition to the directors listed above, the following are the names, ages and citizenship of the Company's executive officers elected as of July 31, 2014.

Name	Age	Position	Citizenship
Jake G. Foronda	60	Vice-President for Operations	Filipino
Robert Jay Nelson	63	Vice-President for Civil Works and Environment	American
Cleotilde A. Marzo	55	Vice President for Corporate Services	Filipino
Jo Marie C. Lazaro-Lim	37	Corporate Secretary	Filipino
Joselina Paula A. Gabriel-Visorde	36	Assistant Corporate Secretary	Filipino

The business experiences of each of the Company's executive officers covering the past five years are described below.

Jake G. Foronda. 60, Filipino, is the Vice-President for Operation of the Company. He is a licensed metallurgical engineer with 37 years of work experience in mineral processing, extractive metallurgy and project management. He joined the company in July, 2013. He is leading the team that is conducting a study of atmospheric leaching of nickel for Agata Processing Inc. He was also the Project Manager of the team who conducted feasibility studies for Intex Resources Nickel Laterite project and MRL Gold Phils. (now MRL Nickel) in preparation for High Pressure Acid Leach (HPAL) process. He also led a team that conducted a study on thermal upgrade of iron and nickel ores for MRL Nickel. He served as consultant for various companies for the design, review and audit of their mineral processing plants such as 360-Global, Apex Mining, and Benguet Corporation. He worked as Technical Consultant for Red Mountain Mining (MRL Gold) and Clariden Resources, General Manager for Oceana Gold Phils., Plant and Services Manager of Crew Gold Phils., Project Development Manager /Corporate Environment and Social Development Manager of Lepanto Mining, Senior Project Metallurgist and Acting Project Studies Manager of WMC Philippines Inc. (Tampakan Project). He also worked with Benguet Corporation as Chief Metallurgist and in various technical capacities. He was a Member of the Board of Metallurgical Engineering, Professional Regulation Commission. He is the vice president of the Society of Metallurgical Engineers of the Philippines, a member of the Australian Institute of Mining and Minerals (AusIMM), a member of the ASEAN Engineers, and a Philippine Mineral Reporting Code (PMRC) Competent Person. He garnered the first place in the 1981 Metallurgical Engineering Licensure Examination.

Robert Jay Nelson, 63, American, is the Vice President for Environment and Civil Works of the Company He is a registered professional engineer in the States of Colorado, USA with over 30 years of work experience as a consulting engineer. He joined the company in January, 2005 as consultant for Environment and Civil Works and was appointed as Vice President for Environment and Civil Works in 2007. He is the Vice President for Environment and Civil Works of TVI Minerals Processing Inc. He was an Associate and Senior Engineer at Dames & Moore Philippines Consulting Engineers, Managing Director and Partner at Knight Piesold Philippines Consulting Engineers and Vice President at American Data Exchange. The Engineering projects he has been associated abroad include civil, water resource and environmental management within the western United States, Caribbean, Micronesia, Australia and Southeast Asia. He has been involved in a number of civil engineering projects in the

Philippines such as the Casecnan Multipurpose Water Supply and Hydropower Project in Nueva Ecija, the Canatuan Gold Project in Zamboanga del Norte and the Environmental Management Program for the Rockwell Development. He was also involved with feasibility studies and engineering designs for an 800 MLD water supply source for Metro Manila. He has degrees in Bachelor of Science in Civil Engineering and a Masters Program in Water Resource Engineering.

Cleotilde A. Marzo, 55, Filipino, is the Vice-President for Corporate Services of the Company. She has 20 years of experience in human resource management. She joined the company in February, 2010 as Director for Training and Organizational Development and promoted to Vice-President for Corporate Services in February, 2012. She was the Corporate Training and Communications Manager of Fuji Xerox Philippines, Inc., Implementation Director of Manila Execon Group, Inc. and training consultant of various companies. She has a degree in Bachelor of Arts in Humanities, major in Speech Communication.

Jo Marie C. Lazaro-Lim, 37, Filipino, is the Corporate Secretary of the Company. She is a lawyer with 12 years of experience in corporate law practice. She is a member of the Legal Department of Vista Land & Lifescapes, Inc. and is currently serving as Corporate Secretary for Manuela Corporation and for its various affiliates and related companies. She has degrees in Bachelor of Laws and Bachelor of Arts major in Legal Management.

Joselina Paula A. Gabriel-Visorde, 36, Filipino, is the Assistant Corporate Secretary and Senior Legal Affairs Officer of the Company. She is a lawyer with seven years of experience in legal profession. She joined the company in September, 2014. She was a Senior Legal Counsel at MGS Building Solutions, a Junior Associate of the Law Firm of Subido Pagente Certeza Mendoza & Binay and a Legal Researcher of the Regional Trial Court of Makati City. She has degrees in Bachelor of Laws and Bachelor of Science major in Management.

Rufo Cabanlig, Jr., 59, Filipino, is the General Manager of the Agata Nickel Project of the Company. He is a licensed mining engineer with 35 years of work experience in mining operations and project management. He joined the company in July, 2015. He was the Chief Operating Officer of Berong Nickel Corporation, Vice-President for Mining of Microasia Corporation, Executive Vice-President and Director of Mount Llorente Development Corporation, General Manager of Philippine National Oil Company (Coal Corporation) and Operations Manager of Phil. Pyrite Corporation. He has degrees in Masters of Science in Geology (Mineral Economics), Bachelor of Science in Mining Engineering and Bachelor of Science in Geology. He garnered eight place in the 1980 Mining Engineering Licensure Examination.

Emmanuel M. Puspos, 53, Filipino, is the Chief Mining Engineer of the Company. He is a licensed mining engineer with 30 years of work experience in the field of open pit operations, mining engineering and project valuation, development and management. He joined the company in June 2006 as Mine Technical Services Manager and was rehired as Chief Mining Engineer in January 2015. He was the Head of Operation/Engineering Benguet Corporation Nickel Mines Inc., Senior Projects and Operation Officer for PT Sunshine Indonesia, Mine Planning and Valuation Manager for Benguet Corporation, Mine Planning Engineer for PT. Askatindo Karya Mineral and Mine Planning/Grade Control Engineer for Benguet Corporation-Dizon Copper Operation. He has a degree in Bachelor of Science in Mining Engineering. He garnered the first place in the 1984 Mining Engineering Licensure Examination.

Significant Employees

While the Company values the contribution of each executive and non-executive employee, there is no non-executive employee that the resignation or loss of whom would have a significant adverse effect on the business of the Company. Other than standard employment contracts and except as otherwise disclosed in this Prospectus, there are no arrangements with non-executive employees that will assure the continued stay of these employees with the Company.

Family Relationships

There are no family relationships up to the fourth civil degree either by consanguinity or affinity among the directors and executive officers of the Company.

Involvement in Certain Legal Proceedings

During the past five years up to the date of this Prospectus, none of the director, nominee for election as director, executive officer, underwriter of control person of the Company has been involved in or subject to:

1. Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to that time;
2. Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
3. Any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
4. Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

EXECUTIVE COMPENSATION

Compensation of Directors

Under Article III, Section 5 of the Company's Amended By-Laws, directors shall receive such compensation for their services as may be fixed from time to time by the stockholders in accordance with law. The directors of the Company were not given any compensation in their capacity as directors for 2015, 2014 and 2013.

Executive Compensation

Under Article IV, Section 9 of the Company's Amended By-Laws, its officers shall receive such salaries or compensation as may be fixed by the Board.

The following table sets out the Company's chief executive officer ("CEO") and the four most highly compensated senior officers for the years ended December 31, 2014 and 2013:

Name	Position
Eugene T. Mateo	President and CEO
Jake G. Foronda	Vice President for Operations
Robert Jay Nelson	Vice President for Environment & Civil Works
Cleotilde A. Marzo	Vice President for Corporate Services
Maryknoll B. Zamora	Treasurer/Controller

The following table identifies and summarizes the aggregate compensation of our Company's CEO and the four most highly compensated executive officers, and all other officers and directors as a group, for the years ended December 31, 2014 and 2013 and for the six months ended June 30, 2015:

	Year	Basic Compensation (in ₱)	Other Compensation (in ₱)
President and the four most highly compensated executive officers named above……………………….	2015 (six months)	13,966,209	864,000
	2014	27,986,309	763,200
	2013	24,139,393	657,200
Aggregate compensation paid to all other officers and directors as a group unnamed…………………….....	2015 (six months)	3,369,621	459,900
	2014	2,266,164	79,200
	2013	-	-

Each Executive Officer executed an employment contract with the Company and is entitled to receive retirement benefits in accordance with the terms and conditions of the Company's retirement plan. The members of the Board are also entitled to receive a reasonable per diem as may be determined by the Board for every meeting.

No bonuses have been declared for the Board of Directors for the last two years. For the ensuing year, the amount of bonuses to be received by the members of the board has yet to be approved by the Board of Directors.

There is no plan or arrangement by which the Executive Officers will receive from the Company any form of compensation in case of a change in control of the Company or change in the officers' responsibilities following such change in control.

As of the date of this Prospectus, there are no outstanding warrants or options held by the Company's chief executive officer, the named executive officers, and all officers and directors as a group.

PRINCIPAL SHAREHOLDERS

SHAREHOLDERS

The list below sets out the [twelve (12)][10] shareholders of the Company as of the date of this Prospectus:

Name of Shareholders	Common Shares	%
Prime Resource Holdings Inc. ("PRHI")	1,675,045,940	68.42%
TVI International Marketing Limited ("TVIIM")	750,726,720	30.66%
Roberto V. San Jose	22,409,100	0.92%
Clifford M. James	20	0.00%
Manuel Paolo A. Villar	20	0.00%
Eugene T. Mateo	20	0.00%
Michael G. Regino	20	0.00%
[Jerry Navarrete]	[20]	0.00%
[Marcelino Mendoza]	[20]	0.00%
[Luis R. Sarmiento]	[20]	0.00%
[Patrick V. Caoile]	[20]	0.00%
Maryknoll B. Zamora	20	0.00%
Total	**2,448,181,860**	**100.00%**

Of the aforementioned shares held by the Selling Shareholders, the Secondary Offer Shares shall comprise of up to 93,918,394 shares owned by PRHI and up to 42,092,606 shares owned by TVIIM such that after the completion of the offering, the resulting shareholdings of the Company shall be as follows:

	Before the Offer		After the Offer	
Name of Shareholders	**Common Shares**	**%**	**Common Shares**	**%**
PRHI	1,675,045,940	68.42%	1,581,127,546	58.13%
TVIIM	750,726,720	30.66%	708,634,114	26.05%
Roberto V. San Jose	22,409,100	0.92%	22,409,100	0.82%
Clifford M. James	20	0.00%	20	0.00%
Manuel Paolo A. Villar	20	0.00%	20	0.00%
Eugene T. Mateo	20	0.00%	20	0.00%
Michael G. Regino	20	0.00%	20	0.00%
[Jerry Navarrete]	-	-	[20]	0.00%
[Marcelino Mendoza]	-	-	[20]	0.00%
[Luis R. Sarmiento]	-	-	[20]	0.00%
[Patrick V. Caoile]	-	-	[20]	0.00%
Maryknoll B. Zamora	20	0.00%	20	0.00%
IPO Investors			408,032,000	15.00%
Total	**2,448,181,860**	**100.00%**	**2,720,202,860**	**100.00%**

[10] The issuance of qualifying shares to the new regular and independent directors remains pending until the approval by the SEC of the amendment of the Company's articles of incorporation to increase the number of seats in the board of directors.

To date, and prior to listing of the Registrant with the Philippine Stock Exchange, no part of Company's common equity is currently listed in any trading market.

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT

The following are persons directly or indirectly the record and/or beneficial owner of more than five percent (5%) of any class of Company's voting securities:

Class of Share	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	% of Total Outstanding Shares
Common	Prime Resource Holdings Inc.	See Note 1 below	Filipino	1,675,045,940	68.42%
Common	TVI International Marketing Limited	See Note 2 below	Hong Kong	750,726,720	30.66%

Notes:

1. PRHI is a wholly-owned subsidiary of Prime Asset Ventures, Inc.
2. TVIIM is a subsidiary of TVI Pacific Inc., a Canadian resource company.

SECURITY OWNERSHIP OF MANAGEMENT

As of the date of this Prospectus, the following are the share ownership of directors and executive officers of the Company:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Citizenship	Percentage of Class
		Direct	Indirect		
Common	Eugene T. Mateo	20	0	Filipino	0.00%
Common	Clifford M. James	20	0	Canadian	0.00%
Common	Manuel Paolo A. Villar	20	10,000	Filipino	0.00%
Common	Michael G. Regino	20	1,000	Filipino	0.00%
Common	Maryknoll B. Zamora	20	0	Filipino	0.00%

Except as disclosed above, none of the Company's other executive officers or department managers own shares directly or indirectly in the Company. Ownership in the Company is limited to that indicated in the foregoing.

VOTING TRUST HOLDERS

There are no persons holding more than 5% of a class of shares of the Company under a voting trust or similar agreement as of the date of this Prospectus.

CHANGES IN CONTROL

The Company has no knowledge of any arrangements that may result in a change in control of the Company.

SELLING SHAREHOLDERS

TVIIM, a company organized under the laws of Hong Kong, owns 750,726,720 Common Shares representing 30.66% of the outstanding capital stock of the Company. TVIIM is a subsidiary of TVI Pacific Inc., a Canadian resource company focused on the production, development, exploration and acquisition of diversified resource projects in the Asia Pacific region.

TVIIM used to be the controlling shareholder of the Company until it relinquished such status to PRHI in 2014.

PRHI, is a Philippine company that owns 1,675,045,940 Common Shares representing 68.42% of the outstanding capital stock of the Company. PRHI is a wholly-owned subsidiary of Prime Asset Ventures, Inc., a Philippine company with major investments in various industries including water supply and distribution, energy and power generation, telecommunications, and cable and antennae television businesses.

Together, the Selling Shareholders are offering for sale their issued and outstanding Common Shares, pursuant to a Secondary Offer. Proceeds from the sale will be used by TVIIM for its project acquisition and exploration activities in the Asia Pacific Region. Proceeds from the sale will be used by PHRI for acquiring additional mining interest.

RELATED PARTY TRANSACTIONS

Total outstanding balances due from related parties as of June 30, 2015, December 31, 2014 and 2013 amounted to ₱337 thousand, ₱358 thousand and ₱137 thousand, respectively, which are collectible in cash, interest bearing, unsecured and due on demand. No impairment was recognized as at reporting date. Total outstanding balances due to related parties as of June 30, 2015, December 31, 2014 and 2013 amounted to (₱6.72 million), (₱828 thousand) and (₱16.19 million), respectively. They are payables in cash, non-interest bearing, unsecured and due on demand.

There are no provisions recognized for the amounts due from related parties during the year. The carrying amount due from and due to related parties approximates their fair values as they are due and payable on demand.

TVIRD enters into a number of transactions with related parties. These transactions are negotiated on terms consistent with those that would have been negotiated with non-related entities. The following are significant agreements of TVIRD with its related parties:

1. On December 31, 2010, the Board of Directors authorized TVIRD to advance US$2.8 million to TVI Pacific, Inc. for its operations and certain investments. The said advance bears an interest of five percent (5%) per annum or two percent (2%) over the borrowing cost of the Company, whichever is higher. On the same date, the Company also made written arrangements with TVI Pacific, Inc. that starting January 1, 2010, all other outstanding advances to TVI Pacific, Inc. shall bear also the same interest which is payable on demand. As of June 30, 2015, this account is fully settled.

2. Service Agreement with TVI Pacific and Management Agreement with PRHI.

3. The Company has an existing service agreement with Exploration Drilling Corporation ("EDCO") for a period of one year and renewable subject to mutual agreement by both parties. Under the terms of the agreement, EDCO will provide drilling activities for the Company's exploration projects in accordance with the technical description agreed by the parties. This contract is still existing as of June 30, 2015.

DESCRIPTION OF PROPERTIES

Property and Equipment

Given the capital-intensive nature of mining, a significant percentage of the assets of the Group consist of properties and equipment. As of June 30, 2015, the Group's plant, buildings and leasehold improvements including on-site administrative offices and staff housing, roads, bridges, causeway and haul road as reported in the audited consolidated financial statements amounts to ₱428.33 million.

Construction-in-progress of causeway, haulroad, buildings, roads and bridges for the Agata DSO Project and Balabag Gold-Silver Project is valued at ₱182.23 million. The Company also owns parcels of land worth ₱30.8 million intended for road access to the Agata DSO Project site.

The Company owns transportation and heavy equipment valued at ₱22.68 million while drilling, surveying and geological equipment is valued at ₱13.65 million. They are used by the Company in various projects. Transportation and heavy equipment consists of fleets of dump trucks, backhoes, bulldozers and other motor vehicles.

As discussed extensively in "Use of Proceeds", the Company intends to use the net proceeds from the Primary Offer to fund capital expenditures for the construction, development and operation of the Balabag Gold-Silver Project which is expected to commence in the first quarter of 2016.

Mining Claims and Deferred Exploration Costs

Mining claims and deferred exploration costs of the Company are worth ₱677.59 million as of June 30, 2015. Said amount includes expenditures directly related to the acquisition, exploration and administration of the Agata DSO and Balabag Gold-Silver Projects.

The major mining claims of the Company are covered by (i) MPSA No. 086-97-IX for the Balabag Gold-Silver Project, (ii) MPSA No. 054-96-IX for the Canatuan Sulphide Project, and (iii) 60% interest in MPSA No. 134-99-XIII for the Agata DSO Project, which are discussed in greater detail in the Business Overview section on page [●].

The Balabag Gold-Silver Project, currently in the development phase, is the high priority project of the Company. As of June 30, 2015, the amount of deferred exploration costs in connection with the Balabag Gold has reached ₱570.69 million.

The remaining ore reserve of the Canatuan Sulphide Project has been exhausted as of June 30, 2015. The Company, however, continues to assess mine life extension and expansion opportunities near the area. In November 2014, the Company has received regulatory approval to expand the contract area of its MPSA to include the nearby Greater Canatuan Tenement Area of Malusok and SE Malusok.

Leases

The Company is leasing its principal place of business situated at 22nd Floor BDO Equitable Tower, 8750 Paseo de Roxas, Makati City with a floor area of 560.66 square meters, and 10 parking slots, with a monthly rental in the amount of ₱353,215, the validity of which is until 15 September 2016 subject to renewal upon mutual agreement of the parties. Citable, there is no lien or encumbrance on said leased property.

EDCO also entered into various lease contracts for its office space, warehouse and staff house for one year and three-year lease terms, renewable upon mutual agreement of both parties.

Mortgage, lien and encumbrance

The property, plant and equipment of the Company are not subject of any mortgage, lien or encumbrance under any credit agreement or instrument or other agreement to which the Company is a party or by which the Company or its properties or assets are bound or affected.

Intellectual Property

TVIRD has five requests for grant of a Philippine Patent which were filed before the Intellectual Property Office, to wit:

	Application No.	Filing Date	Title of Invention
1	1-2014-000329	November 17, 2014	Low Pressure Nickel Laterite treatment Process
2	1-2014-000369	December 5, 2014	Medium Pressure Medium Temperature Nickel Laterite Processing
3	1-2014-000378	December 10, 2014	Nickel Laterite Treatment Process for the Production of NHP
4	1-2015-000134	May 4, 2015	Nickel Laterite Treatment Process
5	1-2015-000135	May 4, 2015	Treatment Process for Nickel Laterite

On September 3, 2015, the Intellectual Property Office allowed the trademark application of AMVI carrying the mark Agata Mining Ventures Inc., a TVIRD-MRL Joint Venture.

Moreover, it has one trademark application which was filed on July 2, 2015 with Application No. 04-2015-007306 and carrying the mark TVIRD.

THE PHILIPPINE STOCK MARKET

THE EXCHANGE

The Philippine Stock Exchange (“PSE”) is the only stock exchange in the Philippines. It is one of the oldest stock exchanges in Asia, having been in continuous operation since the establishment of the Manila Stock Exchange in 1927. It currently maintains two trading floors, one at the PSE Centre (Tektite), Ortigas Center in Pasig City, and another at its principal office at the Ayala Tower One in Makati City’s Central Business District. The PSE is composed of a 15-man Board of Directors with Jose T. Pardo as Chairman.

Trading in the PSE is a continuous session from 9:30AM to 3:30PM daily with a recess from 12:00PM to 1:30PM.

History

The Philippine Stock Exchange was formed from the country’s two former stock exchanges, the Manila Stock Exchange (“MSE”), which was established on August 8, 1927, and the Makati Stock Exchange (“MkSE”), which was established on May 27, 1963.

Although both the MSE and the MkSE traded the same stocks of the same companies, the bourses were separate stock exchanges for nearly 30 years until December 23, 1992, when both exchanges were unified to become the present-day PSE.

In June 1998, the SEC granted the PSE a "Self-Regulatory Organization" (SRO) status, which meant that the bourse can implement its own rules and establish penalties on erring trading participants (TPs) and listed companies. In 2011, Capital Market Integrity Corporation was incorporated to function as the independent audit, surveillance and compliance arm of PSE. The mandate of CMIC is to ensure that trading participants adhere to all pertinent rules, regulations, and code of conduct of CMIC and PSE, as well as all related legislative and regulatory requirements.

In 2001, one year after the enactment of the SRC, the PSE was transformed from a non-profit, non-stock, member-governed organization into a shareholder-based, revenue-earning corporation headed by a president and a board of directors. The PSE eventually listed its own shares on the exchange (traded under the ticker symbol PSE) by way of introduction on December 15, 2003.

PSEi

The main index for PSE is the PSEi, which is a capitalization-weighted index composed of stocks representative of the Industrial, Properties, Services, Holding Firms, Financial and Mining & Oil Sectors of the PSE. It measures the relative changes in the free float-adjusted market capitalization of the 30 largest and most active common stocks listed at the PSE. The selection of companies in the PSEi is based on a specific set of public float, liquidity and market capitalization criteria. There are also six sector-based indices as well as a broader all shares index.

Selected Stock Exchange Data

The table below sets forth movements in the composite index from 1995 to September 30, 2014 and shows the number of listed companies, market capitalization, and value of shares traded for the same period:

Year	Composite Index at Closing	Number of Listed Companies	Aggregate Market Capitalization (in ₱ billions)	Combined Value of Turnover (in ₱ billions)
1995	2,594.2	205	1,545.7	379.0
1996	3,170.6	216	2,121.1	668.9
1997	1,869.2	221	1,261.3	588.0
1998	1,968.8	221	1,373.7	378.9
1999	2,142.9	223	1,936.5	668.8
2000	1,494.5	226	2,576.5	58.61
2001	1,168.1	228	2,143.3	407.2
2002	1,014.4	232	2,083.2	780.9
2003	1,442.4	235	2,973.8	357.6
2004	1,822.8	236	4,766.2	206.6
2005	2,096.0	237	5,948.4	383.5
2006	2,982.5	240	4,277.8	1,145.3
2007	3,621.6	244	7,977.6	1,338.3
2008	1,872.9	246	4,069.2	763.9
2009	3,052.7	248	6,029.1	994.2
2010	4,201.1	253	8,866.1	1,207.4
2011	4,372.0	253	8,697.0	1,422.6
2012	5,812.7	268	10,850	1,420
2013	5,889.8	257	11,931.3	2,546.3
2014	7,230.6	263	14,251.7	2,130.1

Source: Philippine Stock Exchange, Inc.

Trading

The PSE is a double auction market. Buyers and sellers are each represented by stock brokers. To trade, bids or ask prices are posted on the PSE's electronic trading system. A buy (or sell) order that matches the lowest asked (or highest bid) price is automatically executed. Buy and sell orders received by one broker at the same price are crossed at the PSE at the indicated price. Transactions are generally invoiced through a confirmation slip sent to customers on the trade date (or the following trading date). Payment of purchases of listed securities must be made by the buyer on or before the third trading day (the settlement date) after the trade.

Trading on the PSE starts at 9:30 am until 12:00 pm, after which there will be a one and a half hour lunch break. In the afternoon, trading resumes at 1:30 p.m. and ends at 3:30 p.m. with a 10-minute extension during which transactions may be conducted, provided that they are executed at the last traded price and are only for the purpose of completing unfinished orders. Trading days are Monday to Friday, except legal and special holidays.

Minimum trading lots range from five (5) to 1,000,000 shares depending on the price range and nature of the security traded. Odd-sized lots are traded by brokers on a board specifically designed for odd-lot trading.

To maintain stability in the stock market, daily price swings are monitored and regulated. Under current PSE regulations, when the price of a listed security moves up by 50% or down by 50% in one day (based on the last traded price), the price of that security is automatically frozen by the PSE, unless there is an official statement from the relevant company or a government agency justifying such price fluctuation, in which case the affected security can still be traded but only at the frozen price. If the issuer fails to submit such explanation, a trading halt is imposed by the PSE on the listed security the following day. Resumption of trading will be allowed only when the disclosure of the issuer is disseminated, subject again to the trading band.

SETTLEMENT

The Securities Clearing Corporation of the Philippines ("SCCP") is a wholly-owned subsidiary of the PSE, and was organized primarily as a clearance and settlement agency for SCCP-eligible trades executed through the facilities of the PSE. It is responsible for (i) synchronizing the settlement of funds and the transfer of securities through Delivery versus Payment clearing and settlement of transactions of Clearing Members, who are also Trading Participants of the Exchange; (ii) guaranteeing the settlement of trades in the event of a Trading Participant's default through the implementation of its Fails Management System and administration of the Clearing and Trade Guaranty Fund, and; (iii) performance of Risk Management and Monitoring to ensure final and irrevocable settlement.

SCCP settles PSE trades on a three-day rolling settlement environment, which means that settlement of trades takes place three days after transaction date (T+3). The deadline for settlement of trades is 12:00 noon of T+3. Securities sold should be in scripless form and lodged under PDTC's book entry system. Each Trading Participant maintains a Cash Settlement Account with one of the five existing Settlement Banks of SCCP which are BDO, Rizal Commercial Banking Corporation ("RCBC"), Metropolitan Bank and Trust Company ("Metrobank"), Deutsche Bank, and Union Bank of the Philippines ("Unionbank"). Payment for securities bought should be in good, cleared funds and should be final and irrevocable. Settlement is presently on a broker level.

SCCP implemented its new clearing and settlement system called Central Clearing and Central Settlement ("CCCS") last May 29, 2006. CCCS employs multilateral netting whereby the system automatically offsets "buy" and "sell" transactions on a per issue and a per flag basis to arrive at a net receipt or a net delivery security position for each Clearing Member. All cash debits and credits are also netted into a single net cash position for each Clearing Member. Novation of the original PSE trade contracts occurs, and SCCP stands between the original trading parties and becomes the Central Counterparty to each PSE-Eligible trade cleared through it.

CENTRAL DEPOSITORY

In 1995, PDTC (formerly the Philippine Central Depository, Inc.), was organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. On December 16, 1996, the PDTC was granted a provisional license by the Philippine SEC to act as a central securities depository.

All listed securities at the PSE have been converted into book-entry settlement in the PDTC. The depository service of the PDTC provides the infrastructure for lodgment (deposit) and upliftment (withdrawal) of securities, pledge of securities, securities lending and borrowing and corporate actions including shareholders' meetings, dividend declarations and rights offerings. The PDTC also provides depository and settlement services for non-PSE trades of listed equity securities. For transactions on the PSE, the security element of the trade will be settled through the book-entry system, while the cash element will be settled through the current settlement banks, RCBC, BDO, Metrobank, Deutsche Bank, and Unionbank.

In order to benefit from the book-entry system, securities must be immobilized into the PDTC system through a process called lodgment. Lodgment is the process by which shareholders transfer legal title (but not beneficial title) over their shares of stock in favor of PCD Nominee, a corporation wholly owned by the PDTC whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged into the PDTC. "Immobilization" is the process by which the warrant or share certificates of lodging holders are cancelled by the transfer agent and the corresponding transfer of beneficial ownership of the immobilized shares in the account of PCD Nominee through the PDTC participant will be recorded in the Issuer's registry. This trust arrangement between the participants and PDTC through PCD Nominee is established by and explained in the PDTC Rules and Operating Procedures approved by the SEC. No consideration is paid for the transfer of legal title to PCD Nominee. Once lodged, transfers of beneficial title of the securities are accomplished via book-entry settlement.

Under the current PDTC system, only participants (e.g. brokers and custodians) will be recognized by the PDTC as the beneficial owners of the lodged equity securities. Thus, each beneficial owner of shares, through his participant, will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee. All lodgments, trades and uplifts on these shares will have to be coursed through a participant. Ownership and transfers of beneficial interests in the shares will be reflected, with respect to the participant's aggregate holdings, in the PDTC system, and with respect to each beneficial owner's holdings, in the records of the participants. Beneficial owners are thus advised that in order to exercise their rights as beneficial owners of the lodged shares, they must rely on their participant-brokers and/or participant-custodians.

Any beneficial owner of shares who wishes to trade his interests in the shares must course the trade through a participant. The participant can execute PSE trades and non-PSE trades of lodged equity securities through the PDTC system. All matched transactions in the PSE trading system will be fed through the SCCP, and into the PDTC system. Once it is determined on the settlement date (trading date plus three trading days) that there are adequate securities in the securities settlement account of the participant-seller and adequate cleared funds in the settlement bank account of the participant-buyer, the PSE trades are automatically settled in the CCCS, in accordance with the SCCP and PDTC Rules and Operating Procedures. Once settled, the beneficial ownership of the securities is transferred from the participant-seller to the participant-buyer without the physical transfer of stock certificates covering the traded securities. If a shareholder wishes to withdraw his shareholdings from the PDTC System, the PDTC has a procedure of upliftment under which PCD Nominee will transfer back to the shareholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedure of the PDTC for the upliftment of shares lodged under the name of PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under PCD Nominee. The expenses for upliftment are for the account of the uplifting shareholder.

In the depository set-up, shares are simply immobilized, wherein customers' certificates are cancelled and a confirmation advice is issued in the name of PCD Nominee Corp. Transfers among/between broker and/or custodian accounts, as the case may be, will only be made within the book-entry system of PDTC. However, as far as the issuing corporation is concerned, the underlying certificates are in the nominee's name. In the registry set-up, settlement and recording of ownership of traded securities will already be directly made in the corresponding issuing company's transfer agents' books or system. Likewise, recording will already be at the beneficiary level (whether it be a client or a registered custodian holding securities for its clients), thereby removing from the broker its current "de facto" custodianship role.

AMENDED RULE ON LODGMENT OF SECURITIES

On June 24, 2009, the PSE apprised all listed companies and market participants through Memorandum No. 2009-0320 that commencing on July 1, 2009, as a condition for the listing and trading of the securities of an applicant company, the applicant company shall electronically lodge its registered securities with the PDTC or any other entity duly authorized by the SEC, without any jumbo or mother certificate, in compliance with the requirements of Section 43 of the SRC. In compliance with the foregoing requirement, actual listing and trading of securities on the scheduled listing date shall take effect only after submission by the applicant company of the documentary requirements stated in Article III Part A of the PSE's Revised Listing Rules.

For listing applications, the amended rule on lodgment of securities is applicable to:

a. The offer shares/securities of the applicant company in the case of an initial public offering;

b. The shares/securities that are lodged with the PDTC, or any other entity duly authorized by the Commission in the case of a listing by way of introduction;

c. New securities to be offered and applied for listing by an existing listed company; and

d. Additional listing of securities of an existing listed company.

Pursuant to the said amendment, the PDTC issued an implementing procedure in support thereof to wit:

"For new companies to be listed at the PSE as of July 1, 2009 the usual procedure will be observed but the Transfer Agent of the companies shall no longer issue a certificate to PCD Nominee Corp. but shall issue a Registry Confirmation Advice, which shall be the basis for the PDTC to credit the holdings of the Depository Participants on listing date.

"On the other hand, for existing listed companies, the PDTC shall wait for the advice of the Transfer Agents that it is ready to accept surrender of PCNC jumbo certificates and upon such advice the PDTC shall surrender all PCNC jumbo certificates to the Transfer Agents for cancellation. The Transfer Agents shall issue a Registry Confirmation Advice to PCNC evidencing the total number of shares registered in the name of PCNC in the issuer's registry as a confirmation date."

AMENDED RULE ON MINIMUM PUBLIC OWNERSHIP

Under the amended rules on minimum public ownership promulgated by the PSE and approved by the SEC, listed companies are required at all times to maintain a minimum percentage of listed securities held by the public of 10% of the listed companies' issued and outstanding shares, exclusive of any treasury shares, or as such percentage as may be prescribed by the PSE. The determination of whether shareholdings are considered public or non-public is based on: (a) the amount of shareholdings and its significance to the total outstanding shares; (b) purpose of investment; and (c) extent of involvement in the management of the company.

The shares held by the following are generally considered as held by the public: (i) individuals whose shares are not of significant size and which are non-strategic in nature; (ii) PSE trading participants (such as brokers) whose shareholdings are non-strategic in nature; (iii) investment funds and mutual funds; (iv) pension funds which hold shares in companies other than the employing company or its affiliates; (v) PCD Nominee provided that none of the beneficial owners of the shares has significant holdings (i.e., shareholdings by an owner of 10% or more are excluded and considered non-public); and (vi) Social Security funds.

If an investment in a listed company is meant to partake of sizable shares for the purpose of gaining substantial influence on how the company is being managed, then the shareholdings of such investor are considered non-public. Ownership of 10% or more of the total issued and outstanding shares of a listed company is considered significant holding and therefore non-public.

Listed companies which become non-compliant with the minimum public ownership requirement will be suspended from trading for a period of not more than six months and will be automatically delisted if it remains non-compliant with the said requirement after the lapse of the suspension period.

REGULATORY FRAMEWORK

RESTRICTION ON FOREIGN OWNERSHIP

The Constitution requires that the exploration, development and utilization of natural resources be under the full control and supervision of the State. The State may directly undertake such activities, or it may enter into co-production, joint venture, or production-sharing agreements with Filipino citizens, or corporations or associations at least 60% of whose capital is owned by Filipino citizens.

However, for large-scale exploration, development and utilization of minerals, petroleum and other mineral oils, the President may enter into agreements with foreign-owned corporations involving technical or financial assistance.

In October 2012, the Philippine Supreme Court ruled that compliance with Article XII, Section 2 of the Constitution (which restricts the operation of public utilities to Philippine citizens or corporations at least 60% of whose capital is owned by such citizens) must be determined on the basis of the ownership of outstanding shares that are entitled to vote in the election of directors. According to the Supreme Court, shares of a different class that are owned by Philippine citizens, but which are not entitled to vote for directors, must be disregarded, even if those shares are otherwise entitled to dividends and other rights. The SEC is in the process of drafting guidelines for to clarify and implement this ruling. Based on the initial drafts prepared by the SEC, however, it appears that the SEC intends to determine compliance with constitutional or statutory ownership requirements by applying the required percentage of Filipino ownership on both (i) the total number of outstanding shares of stock entitled to vote in the election of directors and (ii) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors. In any event, unlike the situation involved in the October 2012 ruling, the Company is not engaged in the operation of a public utility and has only one class of shares. All shareholders of the Company are entitled to vote in the election of directors.

More recently, the Philippine Supreme Court in the case of *Narra Nickel Mining and Development Corporation, et al. v. Redmont Consolidated Mines Corp (G.R. No. 195580, January 28, 2015)*, held that if a doubt exists as to who has the "beneficial ownership" and "control" of a corporation, the Grandfather Rule shall apply. The Grandfather Rule is the method by which the percentage of Filipino equity in a corporation engaged in nationalized and/or partly nationalized areas of activities, provided for under the Constitution and other nationalization laws, is computed, in cases where corporate shareholders are present, by attributing the nationality of the second or even subsequent tier of ownership to determine the nationality of the corporate shareholder. Thus, to arrive at the actual Filipino ownership and control in a corporation, both the direct and indirect shareholdings in the corporation are determined.

PHILIPPINE MINING ACT OF 1995

Enacted on March 3, 1995, the "Philippine Mining Act of 1995" ("R.A. No. 7942") promotes the sustainable and effective use of mineral resources to enhance national development. It offers incentives and an improved tax structure to promote mining in the Philippines. It has specific provisions that take into consideration: (i) local government empowerment; (ii) respect and concern for the indigenous cultural communities; (iii) equitable sharing of benefits of natural wealth; (iii) economic demands of present generation; and (iv) protection of the environment. The Mining Act replaced the system of Mining Lease Contracts and Operating Contracts with the mining permits and mineral agreement system described below.

The DENR is the primary government agency responsible for the regulation of the mining industry. The Mines and Geosciences Bureau ("MGB") under the DENR has direct charge of the administration and disposition of mineral lands and mineral resources.

Mineral Agreements

Under the Mining Act, all mineral resources are owned by the state and their extraction and processing is likewise under its full control and supervision. The private sector participates in the utilization of these resources through mineral agreements with the Government. Generally, all mineral resources in public or private land are open to mineral agreements. These agreements, which have a term not exceeding 25 years but renewable for another term, grant the right to undertake mining operations and extraction of all resources in the designated area. There are three forms of mineral agreement:

(a) MPSA – the contractor has the exclusive right to conduct mining operations within a contract area while government shares in the gross output. The contractor shall provide the financing, technology, management and personnel necessary for the implementation of the MPSA.

(b) Co-production agreement – the government provides inputs other than the mineral resource

(c) Joint venture agreement – a joint venture company is organized between the government and contractor wherein both have equity shares. The government likewise shares in the gross output.

Mining rights may also be acquired through a Financial and/or Technical Assistance Agreement ("FTAA"). FTAA is a contract which involves financial and/or technical assistance for large-scale exploration, development and utilization of mineral resources.

Government Share/Taxes

Although mineral resources are owned by the state, the Government's share in the mining operation for MPSAs is collected through the excise tax imposed on mineral resources. Various rates of tax apply for different mineral products. As indicated above, however, Section 4 of Executive Order No. 79 imposes a moratorium on the issuance or execution of new mineral agreements until "a legislation rationalizing existing revenue sharing schemes and mechanisms shall have taken effect." Said section signifies the Government's intention to enact a new legislation to amend the existing revenue sharing schemes applicable to MPSAs.
For co-production or joint-venture agreements, the Government's share is negotiated between the government and the contractor taking into account the following considerations: capital investment, risks involved, contribution to the economy, and such other factors will help in determining a sharing that is fair and equitable.

As for FTAAs, the government's share in an FTAA consists, of among other things, the following: contractor's corporate income tax, excise tax, special allowance, withholding tax due from the contractor's foreign shareholders arising from dividend or interest payments to the said foreign shareholders, in case of a foreign national, and all such other taxes, duties and fees as provided under existing laws. The collection of the government's share commences after the contractor has fully recovered its operating expenses, including all exploration and development expenditures. The government is also entitled to an additional share equivalent to the difference between 50% of the net mining revenue and the government share described above.

Incentives and rights

To further encourage private sector participation in mining, the Mining Act entitles contractors in mineral agreements and FTAA to the following (among others): (i) fiscal and non-fiscal incentives under the Omnibus Investments Code of the Philippines; (ii) exemption from real property taxes or assessments of pollution control devices; (iii) carryover of the net operating loss without the benefit of incentives incurred in any of the first 10 years of operations as a deduction from taxable income for the next five years immediately following the year of such loss (although if the contractor chooses to avail of the income tax holiday under the Omnibus Investments Code, the incentive on income tax carry forward of losses will not be granted to the contractor, and vice versa); (iv) accelerated depreciation of fixed assets; and (v) entitlement to the certain rights and guarantees, which include repatriation of investments, remittance of earnings, remittance of payments for foreign loans and contracts, freedom from expropriation except for public use or in the interest of national welfare or defense and upon payment of just compensation, freedom from requisition of investment except in case of war or national emergency and only for the duration thereof, and confidentiality of information supplied by the contract or to the government during the term of the project to which it relates.

Note that Section 4 of Executive Order No. 79 directs the DENR to "undertake a review of existing mining contracts and agreements for possible renegotiation of the terms and conditions of the same." While the provisions of Executive Order No. 79 should apply prospectively, there is a risk that the Philippine government may seek a renegotiation of the terms of the existing MPSAs.

REGISTRATION OF FOREIGN INVESTMENTS AND EXCHANGE CONTROLS

BSP regulations require registration of investments in Philippine securities if the foreign exchange needed to service the repatriation of capital and the remittance of dividends, profits, and earnings that accrue on such investments will be sourced from the Philippine banking system. If the foreign exchange required to service capital repatriation or dividend remittance will be sourced outside the Philippine banking system, registration is not required.

BSP Circular No. 471 (series of 2005) subjects foreign exchange dealers and money changers to the provisions of Republic Act No. 9160 or the Anti–Money Laundering Act of 2001 (as amended) and mandates them to require foreign exchange buyers to submit, among others, an original BSP registration document in connection with the application to purchase foreign exchange exceeding US$5,000 for purposes of capital repatriation and remittance of dividends.

Registration of Philippine securities listed on the PSE may be done with the BSP or through a foreign investor‘s custodian bank which shall issue a registration document on behalf of the BSP. A custodian bank may be any authorized agent bank or an offshore banking unit appointed by the foreign investor to register his investments and to hold shares and other investment instruments for and on his behalf and to represent him in all the necessary actions in connection with his investments in the Philippines.

Upon registration of the investment, proceeds of divestments or dividends, of registered investments may be repatriated or remitted immediately and in full through the Philippine banking system, net of applicable taxes, without need of BSP approval. Remittance is allowed upon presentation to the authorized agent bank of the BSP registration document, at the exchange rate applicable on the date of the actual remittance. Pending repatriation or reinvestment, divestment proceeds, as well as dividends of registered investments, may be deposited temporarily with any authorized agent bank. Interest thereon, net of taxes, may also be remitted in full. Divestment proceeds or dividends of registered investments may be reinvested in the Philippines if the investments are registered with the BSP or the investor‘s custodian bank.

The Monetary Board of the BSP may, with the approval of the President of the Philippines, temporarily suspend or restrict the sale of foreign exchange in the imminence of or during a foreign exchange crisis, or in times of national emergency. Furthermore, there can be no assurance that BSP foreign exchange regulations will not be made more restrictive in the future. The registration with the BSP of all foreign investments in the Offer Shares shall be the responsibility of the foreign investor.

ENVIRONMENTAL LAWS

Philippine environmental laws are primarily implemented by the DENR, which is responsible for carrying out the state's constitutional mandate to control and supervise the exploration, development, utilization and conservation of the country's natural resources.

Philippine environmental law compliance would include compliance with: (i) the terms and conditions of the ECC issued by the DENR certifying that based on the proponent's representations and the DENR's review, the proposed project or undertaking will not cause a significant negative environmental impact and that the proponent has complied with all the requirements of the Environmental Impact Statement System; (ii) the terms and conditions of a permit to discharge, which allows the discharge of regulated effluents (i.e., discharges from known sources, such as manufacturing plants, industrial plants, including domestic, commercial and recreational facilities which traverse to the bodies of waters), pursuant to the Philippine Clean Water Act of 2004 and the Revised Effluent Regulations of 1990; (iii) the guidelines imposed by the Marine Pollution Decree of 1976, which prohibits, among others, the discharging or dumping oil, noxious gaseous and liquid substances, and other harmful substances from or out of any ship, vessel, barge or any other floating craft, or other man-made structures at sea, by any method, means or manner into or upon the territorial and inland navigable water of the Philippines; (iv) the Water Code of the Philippines, which allows the dumping of tailings from mining operations into rivers and waterways upon prior approval by the National Water Resources Board; and (v) the Philippine Clear Air Act of 1999, which seeks to prevent air pollution by controlling emission, greenhouse gasses that could stimulate global warming, and, through the DENR, imposing emission fees from industrial dischargers through its emission permitting system.

Environmental Impact Statement System

Presidential Decree No. 1586 established an Environmental Impact Statement ("EIS") System, which is required of all agencies and instrumentalities of government, as well as private corporations and entities for every project and undertaking which significantly affect the quality of the environment. The EIS System is concerned primarily with assessing the direct and indirect impacts of a project on the biophysical and human environment and ensuring that these impacts are addressed by appropriate environmental protection and enhancement measures. Projects that pose potential significant impact to the environment shall be required to secure an ECC. The Department of Environment and Natural Resources ("DENR") through its regional offices or through the Philippine Environmental Management Bureau ("EMB"), determines whether a project is environmentally critical or located in an environmentally critical area.

An ECC is a document issued by the DENR after a positive review of an application, certifying that based on the representations of the proponent, the proposed project or undertaking will not cause significant negative environmental impact. The ECC also certifies that the proponent has complied with all the requirements of the EIS System and has committed to implement its approved Environmental Management Plan. As a requisite for the issuance of an ECC, an environmentally critical project is required to submit an EIS to the EMB. A project in an environmentally critical area, on the other hand, is generally required to submit an Initial Environmental Examination to the proper DENR regional office. In the case of an environmentally critical project within an environmentally critical area, an EIS is required.

The contractor in a mineral agreement must secure an ECC from the DENR prior to the conduct of development works, construction of production facilities, or mine production activities in the contract area. After the issuance of the ECC, the contractor must also submit an environmental protection and enhancement program.

Environmental Protection and Enhancement Program ("EPEP")

The submission of the EPEP complements the requirement for an ECC. The EPEP provides the operational link between the environmental protection commitments under the Mining Act, as well as those in the ECC and the contractor's plan of mining operation. In general the EPEP shall provide a description of the expected and considered acceptable impacts and shall set out the life-of-mine environmental protection based on best practice in environmental management in mining. The EPEP shall contain a description of the post-mining land use potential of the disturbed land. Finally, the program shall set out implementation schedules, system of environmental compliance guarantees, monitoring, reporting and cost provisions.

Compliance with Environmental Laws

Consistent with the basic policy of the State to assure the availability, sustainability, and equitable distribution of natural resources, the Company recognizes and acknowledges the significance of the environment and mineral development.

In complying with the environmental laws, the Company has institutionalized its reforestation and forest protection program, erosion control measures, air and water quality management, and disaster risk management under an EPEP. ECCs were obtained in the Canatuan Copper-Zinc Project, Balabag Gold and Silver Project, Tamarok Project and the Agata Nickel Project. Necessary permits were likewise secured for discharging effluent wastewater and for operating air pollution installations. The details of the ECCs issued for the various projects of the Company are set forth below:

Project	ECC No.	Date of Issuance
Canatuan Project	ECC No. 9002-007-301C	06 June 1997
	ECC No. 0807-020-1020 (Amendment to ECC Ref. No. 9002-007-301C)	04 March 2009
	ECC No. 0807-020-1020 (Amendment to ECC Ref. No. 9002-007-301C)	19 March 2010
	ECC No. 0807-020-1020 (Amendment to ECC Ref. No. R-09-1102-0014)	23 February 2011
	ECC No. 0807-020-1020 (Amendment to ECC Ref. No. 0807-020-1020)	08 March 2013
Balabag Gold-Silver Project	ECC-CO-1301-0004	01 October 2013
Agata DSO Project	ECC No. 0710-025-2140	20 May 2008
Port Facility	ECC -R13-1306-0084	25 July 2013

Compliance and self-monitoring reports were submitted showing substantial compliance with the terms and conditions of the said ECCs and permits.

In order to restore the natural habitat and environment of the disturbed areas, the Company has been actively involved in the restoration and revegetation of mined out sites. In the Canatuan Project, 320,000 trees and 140,000 cash crops were planted from 2004 to 2014. A total of five dams were constructed for tailings storage. Moreover, monitoring programs concerning the flora and fauna, aquatic resources, stream sediment characterization, water quality, meteorology, hydrology and streamflow, solid waste generation and management, by internal and third parties are regularly being conducted. A total of US$45.4 million was spent on all reclamation and rehabilitation programs, including the cost of the tailings storage facilities.

TAXATION

The following is a general description of certain Philippine tax aspects of the investment in the Offer Shares. This discussion is based on laws, regulations, rulings, income tax conventions (tax treaties), administrative practices and judicial decisions in effect at the date of this Prospectus. Subsequent legislative, judicial or administrative changes or interpretations may be retroactive and could affect the tax consequences to the prospective investor.

The tax treatment of a prospective investor may vary depending on such investor's particular situation and certain investors may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be important to an investor.

This general description does not purport to be a comprehensive description of the Philippine tax aspects of the investments in shares and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing the shares under applicable tax laws of other applicable jurisdictions and the specific tax consequence in light of particular situations of acquiring, owning, holding and disposing the shares in such other jurisdictions. This summary does not purport to address all tax aspects that may be important to a holder of the Shares.

EACH PROSPECTIVE HOLDER SHOULD CONSULT WITH HIS OWN TAX ADVISER AS TO THE PARTICULAR TAX CONSEQUENCES TO SUCH HOLDER OF PURCHASING, OWNING AND DISPOSING OF THE OFFER SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY LOCAL AND NATIONAL TAX LAWS.

CORPORATE INCOME TAX

A domestic corporation is subject to a tax of 30% of its taxable income from all sources within and outside the Philippines except, among others, (i) gross interest income from currency bank deposits and yield from deposit substitutes, trust funds and similar arrangements as well as royalties from sources within the Philippines which are generally taxed at the lower final withholding tax rate of 20% of the gross amount of such income; and (ii) interest income from a depository bank under the expanded foreign currency deposit system which is subject to a final tax rate of 7.5% of such income.

A minimum corporate income tax of 2% of the gross income as of the end of the taxable year is imposed on a domestic corporation beginning on the fourth taxable year immediately following the year in which such corporation commenced its business operations, when the minimum corporate income tax is greater than the ordinary income tax for the taxable year.

Nevertheless, any excess of the minimum corporate income tax over the ordinary corporate income tax shall be carried forward and credited against the latter for the three immediately succeeding taxable years. Further, subject to certain conditions, the minimum corporate income tax may be suspended with respect to a corporation which suffers losses on account of a prolonged labor dispute, *force majeure* or legitimate business reasons.

TAX ON DIVIDENDS

Cash and property dividends received from a domestic corporation by individual shareholders who are either citizens or residents of the Philippines are subject to income tax at the rate of 10%. Cash and property dividends received from a domestic corporation by domestic corporations or resident foreign corporations are not subject to tax.

Cash and property dividends received from a domestic corporation by non-resident alien individuals engaged in trade or business in the Philippines are subject to a 20% tax on the gross amount thereof. Cash and property dividends received from a domestic corporation by non-resident alien individuals not engaged in trade or business in the Philippines are generally subject to tax at 25% of the gross amount but may be subject to the applicable preferential tax rates under tax treaties executed between the Philippines and the country of residence or domicile of such non-resident foreign individuals provided that a prior application for tax treaty relief has been properly filed with the appropriate office of the Philippine tax authorities. A non-resident alien who comes to the Philippines and stays in the country for an aggregate period of more than 180 days during any calendar year will be deemed a non-resident alien engaged in trade or business in the Philippines.

Cash and property dividends received from a domestic corporation by a non-resident foreign corporation are generally subject to tax at the rate of 30%, which may be reduced to 15% when the country in which the non-resident foreign corporation is domiciled (i) imposes no taxes on foreign–sourced dividends or (ii) allows a credit against the tax due from the non-resident foreign corporation taxes deemed to have been paid in the Philippines equivalent to the difference between the regular income tax of 30% on corporations and the 15% tax on dividends. Alternatively, non-resident foreign corporations may avail of the preferential tax rates applicable to cash and property dividends received from a domestic corporation under tax treaties executed between the Philippines and the country of residence or domicile of such non-resident foreign corporations provided that a prior application for a tax treaty relief has been properly filed with the appropriate office of the Philippine tax authorities.

The following table lists some of the countries with which the Philippines has tax treaties and the tax rates currently applicable to non-resident holders who are residents of those countries:

	Dividends (%)	Capital Gains tax due on disposition of Shares outside the PSE (%)
Canada………………………………………..…	25[1]	Exempt[8]
France…………………………………………	15[2]	Exempt[8]
Germany………………………………………	15[3]	5/10[9]
Japan……………………………………………	15[4]	Exempt[8]
Singapore………………………………………	25[5]	Exempt[8]
United Kingdom………………………………	25[6]	Exempt[10]
United States………………………………….	25[7]	Exempt[8]

Notes:

(1) *15% if recipient company controls at least 10% of the voting power of the company paying the dividends.*

(2) *10% if the recipient company holds directly at least 10% of the voting shares of the company paying the dividends.*

(3) *10% if the recipient company (excluding partnerships) owns directly at least 25% of the capital of the company paying the dividends.*

(4) *10% if the recipient company holds directly at least 10% of either the voting shares of the company paying the dividends or of the total shares issued by that company during the period of 6 months immediately preceding the date of payment of the dividends.*

(5) *15% if the recipient is a company (including partnerships) and during the part of the paying company's taxable year which precedes the date of payment of dividends and during the whole of its prior taxable year (if any), at least 15% of the outstanding shares of the voting stock of the paying company was owned by the recipient company.*

(6) *15% if the recipient company is a company which controls directly or indirectly at least 10% of the voting power of the company paying the dividends.*

(7) *20% if during the part of the paying corporation's taxable year which precedes the date of payment of dividends and during the whole of its prior taxable year at least 10% of the outstanding shares of the voting stock of the paying corporation was owned by the recipient corporation.*

(8) *Capital gains are taxable only in the country where the seller is a resident, provided the shares are not those of a corporation, the assets of which consist principally of real property situated in the Philippines, In which case the sale is subject to Philippine taxes. Under Philippine tax regulations, the term "principally" means more than 50% of the entire assets of the Philippine corporation in terms of value.*

(9) *Under the RP-Germany Tax Treaty, capital gains from the alienation of shares of a Philippine corporation may be taxed in the Philippines irrespective of the nature of the assets of the Philippine corporation. Tax rates are 5% on the net capital gains realized during the taxable year not in excess of P100,000 and 10% on the net capital gains realized during the taxable year in excess of P100,000.*

(10) *Under the RP-UK Tax Treaty, capital gains on the sale of the stock of Philippine corporations are subject to tax only in the country where the seller is a resident, irrespective of the nature of the assets of the Philippine corporation.*

Stock dividends distributed pro-rata to any holder of shares of stock are not subject to Philippine income tax. A stock dividend constitutes income if it gives the shareholder an interest different from that which his former stockholdings represented. A stock dividend does not constitute income if the new shares confer no different rights or interest than did the old.

Any availment of tax treaty relief should be preceded by an application for tax treaty relief filed in accordance with regulations issued by Philippine tax authorities. Thereafter, if the regular tax rate is withheld by the paying corporation instead of the reduced rates applicable under a tax treaty, the nonresident holder of the shares may file a claim for refund from the BIR. However, because the refund process in the Philippines requires the filing of an administrative claim and the submission of supporting information, and may also involve the filing of a judicial appeal, it may be impractical to pursue such a refund.

SALE, EXCHANGE OR DISPOSITION OF SHARES

Capital Gains Tax, if sale was made outside the PSE

The net capital gains realized by a resident or non-resident other than a dealer in securities during each taxable year from the sale, exchange or disposition of shares of stock (*i.e.* secondary sale of common shares by the holder to another party) outside the facilities of the PSE are subject to tax as follows: 5% on gains not exceeding ₱100,000 and 10% on the gains over ₱100,000. If an applicable tax treaty exempts the gains from tax, an application for tax treaty relief must be properly filed with the Philippine tax authorities and should precede any availment of an exemption under a tax treaty.

Stock Transaction Tax

A sale or other disposition of shares of stock through the facilities of the PSE by a resident or a non-resident holder, other than a dealer in securities, is subject to a stock transaction tax at the rate of 0.5% of the gross selling price or gross value in money of the shares of stock sold or otherwise disposed. This tax is required to be collected by and paid to the Philippine Government by the selling stockbroker on behalf of his client. The stock transaction tax is classified as a percentage tax and although it is paid in lieu of a capital gains tax, it is not a tax on income, hence, cannot be subject of the tax exemption or preferential rates provided under tax treaties as discussed herein. This view is consistent with the position taken by the Bureau of Internal Revenue in DA-ITAD BIR Ruling No. 022-07 dated 9 February 2007.

Value Added Tax

Value Added Tax ("VAT") of 12% may generally be imposed on the gross income earned by dealers in securities and on the commission earned by the PSE-registered broker from services provided in connection with the sale of shares. VAT is generally passed on to the client.

Documentary Stamp Tax

The original issue of shares of stock is subject to documentary stamp tax (DST) of ₱1.00 for each ₱200.00, or a fractional part thereof, of the par value of the shares of stock issued. The secondary transfer of shares of stock outside the facilities of the PSE is subject to a documentary stamp tax of ₱0.75 for each ₱200.00, or a fractional part thereof, of the par value of the share of stock transferred.

On June 30, 2009, Republic Act No. 9648 was signed into law and it permanently exempted the sale, barter, or exchange of shares of stock listed and traded through the local stock exchange from DST retroactive to March 20, 2009.

In addition, the borrowing and lending of securities executed under the Securities Borrowing and Lending Program of a registered exchange, or in accordance with regulations prescribed by the appropriate regulatory authority, are likewise exempt from DST. However, the securities borrowing and lending agreement should be duly covered by a master securities borrowing and lending agreement acceptable to the appropriate regulatory authority, and should be duly registered and approved by the BIR.

Estate and Donor's Tax

Shares issued by a corporation organized under Philippine laws are deemed to have a Philippine *situs*, and any transfer thereof by way succession or donation, even if made by a non-resident decedent or donor outside the Philippines, is subject to Philippine estate and donor's tax, respectively.

The transfer of shares of stock upon the death of an individual holder to his heirs by way of succession, whether such holder was a citizen of the Philippines or an alien, regardless of residence, is subject to Philippine estate taxes at progressive rates ranging from 5% to 20%, if the net estate is over ₱200,000. On the other hand, individual stockholders, whether or not citizens or residents of the Philippines, who transfer shares of stock by way of gift or donation are liable to pay Philippine donor's tax on such transfer of shares ranging from 2% to 15% of the net gifts during the calendar year exceeding ₱100,000. The rate of tax with respect to net gifts made to a stranger (i.e., one who is not a brother, sister, spouse, ancestor, lineal descendant or relative by consanguinity within the fourth degree of relationship) is a flat rate of 30%. Donations between business organizations, and between individuals and business organizations are considered donations made to a stranger.

The sale, exchange or transfer of shares outside the facilities of the PSE may also be subject to donor's tax when the fair market value of the shares of stock sold is greater than the amount of money received by the seller. In this case, the excess of the fair market value of the shares of stock sold over the amount of money received as consideration shall be deemed a gift subject to donor's tax.

Estate and donor's tax, however, shall not be collected in respect of intangible personal property, such as shares of stock: (a) if the decedent at the time of his death or the donor at the time of the donation was a citizen and resident of a foreign country which at the time of his death or donation did not impose a transfer tax of any character, in respect of intangible personal property of citizens of the Philippines not residing in that foreign country, or (b) if the laws of the foreign country of which the decedent or donor was a citizen and resident at the time of his death or donation allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in that foreign country.

LOCAL TAXES

Under the Local Government Code, a province or city or a municipality within the Metropolitan Manila Area may levy an annual ad valorem tax on real property such as land, building, machinery, and other improvements based on the assessed value of real property. The uniform rate of basic real property tax shall not exceed 1% of the assessed value of the property in the case of a province, and shall not exceed 2% of the assessed value in the case of a city. In addition, the province, city or a municipality within the Metropolitan Manila Area may levy and collect annually a special levy on real property for the Special Education Fund equivalent to 1% of the assessed value of real property.

TAXATION OUTSIDE THE PHILIPPINES

Shares of stock in a domestic corporation are considered under Philippine law as situated in the Philippines and the gain derived from their sale is entirely from Philippine sources; hence such gain is subject to Philippine income tax. For the same reason, and the transfer of such shares by way of donation (gift) or succession is subject to Philippine donor's or estate taxes, respectively as stated above.

The tax treatment of a non-resident holder of shares of stock in jurisdictions outside the Philippines may vary depending on the tax laws applicable to such holder by reason of domicile or business activities and such holder's particular situation. This Prospectus does not discuss the tax considerations on non-resident holders of shares of stock under laws other than those of the Philippines.

LEGAL MATTERS

Certain legal matters as to Philippine law in connection with the Offer will be passed upon by SyCip Salazar Hernandez & Gatmaitan, legal counsel to the Issue Manager and Lead Underwriter, and Picazo Buyco Tan Fider & Santos legal counsel to the Company. The independent counsels have no shareholdings or any interest, direct or indirect, in the Company, or any right, whether legally enforceable or not to nominate persons or to subscribe to the securities of the Company in accordance with the standards on independence required in the Code of Professional Responsibility and as prescribed by the Supreme Court of the Philippines.

INDEPENDENT AUDITORS

Isla Lipana & Co., through its partner Rodelio C. Acosta, audited the financial statements of the Company annexed to this Prospectus, namely the Interim Consolidated Financial Statements for June 30, 2015 and June 30, 2014 and for the six months ended June 30, 2015 and June 30, 2014 and the Consolidated Financial Statements for December 31, 2014, 2013 and 2012 and years ended
December 31, 2014, 2013 and 2012.

The Company have not had any material disagreements on accounting and financial disclosures with our current external auditors for the same periods or any subsequent interim period. Isla Lipana & Co. has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. Isla Lipana & Co. will not receive any direct or indirect interest in the Company or in any securities thereof (including options, warrants or rights thereto) pursuant to or in connection with the Offer. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

The following table sets out the aggregate fees billed for each of the last two fiscal years for professional services rendered by Isla Lipana & Co., excluding fees directly related to the Offer.

	2013	**2014**
	(₱ millions)	
Audit and audit-related fees		
Audit services	3.86	3.18
Other assurance and related services	0.00	0.00
Tax fees	0.00	0.00
All other fees	0.00	0.00
Total	3.86	3.18

Under the Manual, the Audit Committee shall perform the following functions in relation to the audit and review of the Company's financial statements: (i) provide oversight of the Company's external auditors; (ii) review and approve audit scope and frequency and the annual internal audit plan; (iii) discuss with the external auditor before the audit commences the nature and the scope of the audit, and ensure coordination where more than one audit firm is involved; (iv) consider the appointment of an independent external auditor, the audit fee, and any question of resignation or dismissal; (v) receive and review reports of external auditors and regulatory agencies, where applicable, and ensure that management is taking appropriate corrective actions, in a timely manner in addressing control and compliance functions with regulatory agencies; (vi) review the quarterly, half year and annual financial statements before submission to the Board of the Directors; and (vii) evaluate and determine non-audit work by external auditor and keep under review the non-audit fees paid to the external auditor both in relation to their significance to the auditor and in relation to the Company's total expenditure on consultancy.

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Isla Lipana & Co.

Independent Auditor's Report

To the Board of Directors and Shareholders of
TVI Resource Development Phils., Inc.
22nd Floor BDO Equitable Bank Tower
8751 Paseo de Roxas, Makati City

We have audited the accompanying consolidated financial statements of TVI Resource Development Phils., Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at June 30, 2015 and December 31, 2014, and the consolidated statements of total comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the six months ended June 30, 2015 and 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Interim Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Accounting Standards (PAS) 34 - Interim Financial Reporting, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with the Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of TVI Resource Development Phils., Inc. and its subsidiaries as at June 30, 2015 and December 31, 2014, and their financial performance and their cash flows for the six months ended June 30, 2015 and 2014, in accordance with PAS 34 - Interim Financial Reporting.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The comparative consolidated statements of financial position of TVI Resource Development Phils., Inc. and its subsidiaries as at December 31, 2013 and 2012 and the consolidated statements of total comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2014, 2013 and 2012 were derived from the historical audited consolidated and separate audited financial statements of TVI Resource Development Phils., Inc. and each of its subsidiaries as at and for the years ended December 31, 2014, 2013 and 2012. Such comparative consolidated financial statements presented for additional information are not required part of the basic consolidated financial statements in accordance with PAS 34 - Interim Financial Reporting. Such comparative consolidated financial statements is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic consolidated financial statements. In our opinion, the comparative consolidated financial statements is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Isla Lipana & Co.

Rodelio C. Acosta
Partner
CPA Cert. No. 53756
P.T.R. No. 0007688; issued on January 6, 2015 at Makati City
SEC A.N. (individual) as general auditors 0054-AR-3, Category A; effective until February 13, 2016
SEC A.N. (firm) as general auditors 0009-FR-4; effective until July 15, 2018
T.I.N. 182-934-430
BIR A.N. 08-000745-18-2013; issued on April 4, 2013; effective until April 3, 2016
BOA/PRC Reg. No. 0142, effective until December 31, 2016

Makati City
August 7, 2015

pwc

Isla Lipana & Co.

Statements Required by Rule 68, Part I Section 4,
Securities Regulation Code (SRC),
As Amended on October 20, 2011

To the Board of Directors and Shareholders of
TVI Resource Development Phils., Inc.
22nd Floor BDO Equitable Bank Tower
8751 Paseo de Roxas, Makati City

We have audited the consolidated financial statements of TVI Resource Development Phils., Inc. and its subsidiaries as at and for the six months ended June 30, 2015, on which we have rendered the attached report dated August 7, 2015. The supplementary information shown in the Schedule of Effective Standards and Interpretations under Philippine Financial Reporting Standards as at June 30, 2015 and Annex 68-C Reconciliation of Retained Earnings Available for Dividend Declaration, as additional component required by Part I, Section 4 of Rule 68 of the Securities Regulation Code (SRC), and Schedules A, B, C, D, E, F, G and H, as required by Part II, Section 6 of Rule 68 of the SRC, is presented for purposes of filing with the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements. In our opinion, the supplementary information has been prepared in accordance with Rule 68 of the SRC.

Isla Lipana & Co.

Rodelio C. Acosta
Partner
CPA Cert. No. 53756
P.T.R. No. 0007688; issued on January 6, 2015 at Makati City
SEC A.N. (individual) as general auditors 0054-AR-3, Category A; effective until February 13, 2016
SEC A.N. (firm) as general auditors 0009-FR-4; effective until July 15, 2018
T.I.N. 182-934-430
BIR A.N. 08-000745-18-2013; issued on April 4, 2013; effective until April 3, 2016
BOA/PRC Reg. No. 0142, effective until December 31, 2016

Makati City
August 7, 2015

pwc

Isla Lipana & Co.

Statement Required by Rule 68, Part I, Section 3B(v),
Securities Regulation Code (SRC)
As Amended on October 20, 2011

To the Board of Directors and Shareholders of
TVI Resource Development Phils., Inc.
22nd Floor BDO Equitable Bank Tower
8751 Paseo de Roxas, Makati City

We have audited the interim consolidated financial statements of TVI Resource Development Phils., Inc. (the Parent Company) and its subsidiaries as at and for the six months ended June 30, 2015, on which we have rendered the attached report dated August 7, 2015.

In compliance with SRC Rule 68 and based on the certification received from the Parent Company's corporate secretary and the results of our work done, the Parent Company has only three (3) shareholders owning one hundred (100) or more shares each as at June 30, 2015.

Isla Lipana & Co.

Rodelio C. Acosta
Partner
CPA Cert. No. 53756
P.T.R. No. 0007688; issued on January 6, 2015 at Makati City
SEC A.N. (individual) as general auditors 0054-AR-3, Category A; effective until February 13, 2016
SEC A.N. (firm) as general auditors 0009-FR-4; effective until July 15, 2018
T.I.N. 182-934-430
BIR A.N. 08-000745-18-2013; issued on April 4, 2013; effective until April 3, 2016
BOA/PRC Reg. No. 0142, effective until December 31, 2016

Makati City
August 7, 2015

TVI Resource Development Phils., Inc. and subsidiaries

Consolidated Statements of Financial Position
June 30, 2015 and December 31, 2014
(With comparative figures as at December 31, 2013 and 2012)
(All amounts in thousands Philippine Peso)

			December 31		
	Notes	June 30, 2015	2014	2013	2012
	ASSETS				
Current assets					
Cash and cash equivalents	5	224,867	500,147	258,928	568,500
Receivables, net	6	496,660	321,067	63,180	263,626
Due from related parties	7	337	358	137	111,361
Inventories, net	8	134,386	158,472	399,665	331,364
Prepayments and other current assets, net	9	220,037	173,783	27,545	31,391
Total current assets		1,076,287	1,153,827	749,455	1,306,242
Non-current assets					
Property and equipment, net	10	689,969	456,718	328,040	572,544
Mining claims and deferred exploration costs, net	11	677,590	667,115	496,478	406,747
Option to purchase contracts	12	250,850	238,682	269,764	55,130
Retirement plan asset	18	23,765	25,390	12,262	-
Other non-current assets	13	134,659	134,161	130,945	131,475
Total non-current assets		1,776,833	1,522,066	1,237,489	1,165,896
Total assets		2,853,120	2,675,893	1,986,944	2,472,138
	LIABILITIES AND EQUITY				
Current liabilities					
Trade payables		81,074	36,634	119,016	146,286
Due to related parties	7	6,721	828	16,189	289,297
Accrued expenses and other liabilities	14	248,733	308,310	325,313	109,730
Current portion of estimated liability for restoration costs	15	53,929	76,977	43,224	32,496
Current portion of borrowings	16	145,702	119,253	-	410,500
Income tax payable	17	-	3	1,395	417
Total current liabilities		536,159	542,005	505,137	988,726
Non-current liabilities					
Estimated liability for restoration costs, net of current portion	15	164,300	19,179	69,475	106,838
Borrowings, net of current portion	16	220,172	238,507	-	-
Deferred tax liability	17	-	6	-	-
Retirement benefit obligation	18	6,168	3,395	6,672	65,509
Total non-current liabilities		390,640	261,087	76,147	172,347
Total liabilities		926,799	803,092	581,284	1,161,073
Equity					
Attributable to owners of the Parent Company					
Share capital	19	153,222	153,222	129,240	35,409
Share premium	19	1,753,195	1,753,195	1,276,187	1,271,670
Treasury shares	19	(37,408)	(37,408)	-	-
Retained earnings	19	354,948	299,754	308,287	293,869
Other reserves	19	(330,929)	(332,840)	(344,652)	(345,512)
		1,893,028	1,835,923	1,369,062	1,255,436
Non-controlling interest		33,293	36,878	36,598	55,629
Total equity		1,926,321	1,872,801	1,405,660	1,311,065
Total liabilities and equity		2,853,120	2,675,893	1,986,944	2,472,138

(The notes on pages 1 to 80 are integral part of these consolidated financial statements.)

TVI Resource Development Phils., Inc. and subsidiaries

Consolidated Statements of Total Comprehensive Income
For the six months ended June 30, 2015 and 2014
(With comparative figures for the years ended December 31, 2014, 2013 and 2012)
(All amounts in thousands Philippine Peso, except per share data)

	Notes	For the six months ended June 30 2015	2014	For the years ended December 31 2014	2013	2012
Revenues						
Sale of nickel ore	24.4	504,604	-	391,328	-	-
Sale of copper and zinc concentrates	24.4	-	490,505	490,505	2,322,468	3,797,059
Drilling revenue		7,853	1,457	2,067	50,599	-
Royalty income	24.3	21,719	-	-	66,863	158,007
Other revenues		3,087	7,113	5,343	-	-
Total revenues		537,263	499,075	889,243	2,439,930	3,955,066
Cost and expenses						
Cost of sales and services	22	(352,514)	(555,534)	(623,311)	(2,296,321)	(3,051,960)
Operating expenses	22	(102,208)	(61,673)	(236,136)	(90,604)	(318,523)
Exploration costs	23	(4,984)	(5,555)	(8,166)	(9,806)	(159,303)
Total operating costs and expenses		(459,706)	(622,762)	(867,613)	(2,396,731)	(3,529,786)
Income (loss) from operations		77,557	(123,687)	21,630	43,199	425,280
Other operating income (expenses)	23	(13,338)	(19,660)	6,007	(30,395)	(35,914)
Finance costs and income						
Financing costs	16	(9,140)	(578)	(1,156)	(5,985)	(11,177)
Foreign exchange gain (loss), net	25	(4,577)	-	(8)	(1,661)	31,393
Interest income	5, 6, 7	2,922	749	2,681	6,670	36,528
Total other operating income/expenses, finance costs and income		(24,133)	(19,489)	7,524	(31,371)	20,830
Income (loss) before provision for tax		53,424	(143,176)	29,154	11,828	446,110
Provision for income tax	17	(1,815)	(125)	(809)	(2,257)	(1,499)
Net income (loss) for the year		51,609	(143,301)	28,345	9,571	444,611
Other comprehensive income (loss) that will not be subsequently reclassified to profit or loss						
Remeasurement gain (loss) on retirement benefits	18	1,911	17,621	11,812	(2,072)	(20,453)
Total comprehensive income (loss) for the year		53,520	(125,680)	40,157	7,499	424,158
Net income (loss) attributable to:						
Owners of the Parent Company		55,194	(143,301)	(8,533)	29,903	478,487
Non-controlling interest		(3,585)	-	36,878	(20,332)	(33,876)
		51,609	(143,301)	28,345	9,571	444,611
Total comprehensive income (loss) attributable to:						
Owners of the Parent Company		57,801	(125,680)	3,279	27,831	458,034
Non-controlling interest		(4,281)	-	36,878	(20,332)	(33,876)
		53,520	(125,680)	40,157	7,499	424,158
Earnings (loss) per share - basic and diluted	20	0.45	(1.17)	(0.07)	0.67	14.22

(The notes on pages 1 to 80 are integral part of these consolidated financial statements.)

TVI Resource Development Phils., Inc. and subsidiaries

Consolidated Statements of Changes in Equity
For the six months ended June 30, 2015 and 2014
(With comparative figures for the years ended December 31, 2014, 2013 and 2012)
(All amounts in thousands Philippine Peso)

	Attributable to owners of the Parent Company						Non-controlling interest	Total
				Retained earnings				
	Share capital	Share premium	Treasury shares	Appropriated	Unappropriated	Other reserves		
Notes	19	19	19	19	19	19		
Balances as at January 1, 2012	33,500	272,474	-	850,000	(44,507)	(325,059)	(403,693)	382,715
Comprehensive income								
Net income for the year	-	-	-	-	478,487	-	(33,876)	444,611
Remeasurement gain (loss) on retirement benefits	-	-	-	-	-	(20,453)	-	(20,453)
Total comprehensive income (loss) for the year	-	-	-	-	478,487	(20,453)	(33,876)	424,158
Transactions with owners								
Dividends								
Cash	-	-	-	-	(5,818)	-	-	(5,818)
Stock	804	999,196	-	-	(1,000,000)	-	-	-
Issuance of shares	1,105	-	-	-		-	-	1,105
Liquidation of subsidiaries	-	-	-	-	15,707	-	493,198	508,905
Appropriation	-	-	-	660,000	(660,000)	-	-	-
Reversal of appropriation	-	-	-	(1,260,000)	1,260,000	-	-	-
Total transactions with owners	1,909	999,196	-	(600,000)	(390,111)	-	493,198	504,192
Balances as at December 31, 2012	35,409	1,271,670	-	250,000	43,869	(345,512)	55,629	1,311,065
Comprehensive income								
Net income (loss) for the year	-	-	-	-	29,903	-	(20,332)	9,571
Remeasurement gain (loss) on retirement benefits	-	-	-	-	-	860	(2,932)	(2,072)
Total comprehensive income (loss) for the year	-	-	-	-	29,903	860	(23,264)	7,499
Transactions with owners								
Dividends								
Cash	-	-	-	-	(7,985)	-	-	(7,985)
Stock	7,500	-	-	-	(7,500)	-	-	-
Issuance of shares	86,331	4,517	-	-	-	-	4,233	95,081
Reversal of appropriation	-	-	-	(250,000)	250,000	-	-	-
Appropriation	-	-	-	250,000	(250,000)	-	-	-
Total transactions with owners	93,831	4,517	-	-	(15,485)	-	4,233	87,096
Balances as at December 31, 2013	129,240	1,276,187	-	250,000	58,287	(344,652)	36,598	1,405,660

Forward

(The notes on pages 1 to 80 are integral part of these consolidated financial statements.)

TVI Resource Development Phils., Inc. and subsidiaries

Consolidated Statements of Changes in Equity
For the six months ended June 30, 2015 and 2014
(With comparative figures for the years ended December 31, 2014, 2013 and 2012)
(All amounts in thousands Philippine Peso)

	Attributable to owners of the Parent Company						Non-controlling interest	Total
				Retained earnings				
	Share capital	Share premium	Treasury shares	Appropriated	Unappropriated	Other reserves		
Notes	19	19	19	19	19	19		
Balances as at December 31, 2013	129,240	1,276,187	-	250,000	58,287	(344,652)	36,598	1,405,660
Comprehensive income								
Net income for the year	-	-	-	-	(8,533)	-	36,878	28,345
Remeasurement gain on retirement benefits	-	-	-	-	-	11,812	-	11,812
Total comprehensive income (loss) for the year	-	-	-	-	(8,533)	11,812	36,878	40,157
Transactions with owners								
Purchase of subsidiaries	-	-	-	-	-	-	(36,598)	(36,598)
Issuance of shares	23,982	477,008	-	-	-	-	-	500,990
Repurchase of shares	-	-	(37,408)	-	-	-	-	(37,408)
Total transactions with owners	23,982	477,008	(37,408)	-	-	-	(36,598)	426,984
Balances as at December 31, 2014	153,222	1,753,195	(37,408)	250,000	49,754	(332,840)	36,878	1,872,801

Forward

(The notes on pages 1 to 80 are integral part of these consolidated financial statements.)

TVI Resource Development Phils., Inc. and subsidiaries

Consolidated Statements of Changes in Equity
For the six months ended June 30, 2015 and 2014
(With comparative figures for the years ended December 31, 2014, 2013 and 2012)
(All amounts in thousands Philippine Peso)

	Attributable to owners of the Parent Company						Non-controlling interest	Total
				Retained earnings				
	Share capital	Share premium	Treasury shares	Appropriated	Unappropriated	Other reserves		
Notes	19	19	19	19	19	19		
Balances as at January 1, 2014	129,240	1,276,187	-	250,000	58,287	(344,652)	36,598	1,405,660
Comprehensive income								
Net income (loss) for the year	-	-	-	-	(143,301)	-	-	(143,301)
Remeasurement gain on retirement benefits	-	-	-	-	-	17,621	-	17,621
Total comprehensive income (loss) for the year	-	-	-	-	(143,301)	17,621	-	(125,680)
Transactions with owners								
Purchase of subsidiaries	-	-	-	-	-	(2,932)	(5,864)	(8,796)
Issuance of shares	23,982	423,453	-	-	-	-	-	447,435
Total transactions with owners	23,982	423,453	-	-	-	(2,932)	(5,864)	438,639
Balances as at June 30, 2014	153,222	1,699,640	-	250,000	(85,014)	(329,963)	30,734	1,718,619
Balances as at January 1, 2015	153,222	1,753,195	(37,408)	250,000	49,754	(332,840)	36,878	1,872,801
Comprehensive income								
Net income for the year	-	-	-	-	55,194	-	(3,585)	51,609
Remeasurement gain on retirement benefits	-	-	-	-	-	1,911	-	1,911
Total comprehensive income for the year	-	-	-	-	55,194	1,911	(3,585)	53,520
Balances as at June 30, 2015	153,222	1,753,195	(37,408)	250,000	104,948	(330,929)	33,293	1,926,321

(The notes on pages 1 to 80 are integral part of these consolidated financial statements.)

TVI Resource Development Phils., Inc. and subsidiaries

Consolidated Statements of Cash Flows
For the six months ended June 30, 2015 and 2014
(With comparative figures for the years ended December 31, 2014, 2013 and 2012)
(All amounts in thousands Philippine Peso)

	Notes	For the six month ended June 30		For the years ended December 31		
		2015	2014	2014	2013	2012
Cash flows from operating activities						
Income (loss) before provision for income tax		53,424	(143,176)	29,154	11,828	446,110
Adjustments for:						
Depreciation of property and equipment	10	40,234	30,068	52,243	281,279	385,101
Amortization of mining claims and deferred exploration costs	11	11,483	1,025	2,129	58,007	96,950
Accretion and restoration costs	15	3,540	1,090	2,181	2,787	35,119
Provision for (gain on) retirement benefits obligation	18	6,809	(6,681)	(1,292)	(71,116)	44,045
(Reversal of) Provision for impairment of input VAT	9	-	3,026	(125,198)	22,028	13,613
Write-back of accrued expense	23	(4,534)	-	(20,000)	-	-
Reversal of (Provision for) inventory obsolescence	23	-	-	(4,916)	4,794	10,212
Loss (gain) on disposal of property and equipment	22	2,345	-	9,723	1,783	(3)
Loss on write-off of investment in subsidiaries and receivables		-	-	-	-	1,440
Unrealized foreign exchange (gain) loss	25	3,683	39	(5,400)	6,772	(34,443)
Interest and other financing costs	16	9,140	578	1,156	5,985	11,177
Interest income	5, 6, 7	(2,124)	(749)	(2,681)	(6,669)	(36,528)
Operating income (loss) before working capital changes		124,000	(114,780)	(62,901)	317,478	972,793
Decrease (increase) in:						
Receivables		(176,177)	17,951	(257,888)	200,446	76,960
Due from related parties		20	(68)	3,278	106,442	243,615
Inventories		24,086	270,902	246,110	(73,096)	(38,924)
Prepayments and other current assets		(46,253)	9,396	(21,041)	(18,183)	(9,920)
Increase (decrease) in:						
Trade payables		(202,675)	(88,654)	(82,383)	(27,269)	(44,634)
Due to related parties		(46)	(1,274)	(49,083)	(275,524)	(748,208)
Accrued expenses and other liabilities		195,639	(262,886)	2,998	215,583	(1,995)
Cash generated from (absorbed by) operations		(81,406)	(169,413)	(220,910)	445,877	449,687
Restoration costs incurred	15	(23,049)	(8,617)	(18,724)	(29,422)	(43,594)
Retirement benefits paid directly	18	-	-	(370)	(556)	(177)
Contributions to the retirement fund	18	(500)	-	-	(1,500)	(54,885)
Interest received	16	2,124	749	2,681	6,669	3,241
Income taxes paid		-	(1,395)	(2,201)	(1,278)	(2,765)
Net cash provided by (used in) operating activities		(102,831)	(178,676)	(239,524)	419,790	351,507

Forward

(The notes on pages 1 to 80 are integral part of these consolidated financial statements.)

TVI Resource Development Phils., Inc. and subsidiaries

Consolidated Statements of Cash Flows
For the six months ended June 30, 2015 and 2014
(With comparative figures for the years ended December 31, 2014, 2013 and 2012)
(All amounts in thousands Philippine Peso)

	Notes	For the six months ended June 30		For the years ended December 31		
		2015	2014	2014	2013	2012
Cash flows from investing activities						
Acquisitions of property and equipment	10	(134,249)	(38,524)	(190,644)	(38,558)	(291,327)
Option to purchase contracts	12	(12,168)	(89,303)	31,082	(214,634)	(55,130)
Increase in:						
Mining claims and deferred exploration costs	11	(21,958)	(26,639)	(172,766)	(147,738)	(171,675)
Other non-current assets	13	(500)	(85)	(3,214)	530	(27,791)
Net cash used in investing activities		(168,875)	(154,551)	(335,542)	(400,400)	(545,923)
Cash flow from financing activities						
Proceeds from borrowings	16	4,461	-	357,760	-	659,561
Payment of borrowings and financing costs	16	(9,327)	(578)	(1,156)	(416,485)	(952,164)
Dividends paid	19	-	-	(4,087)	(3,897)	(5,818)
Repurchase of shares	19	-	-	(37,408)	-	-
Issuance of shares	19	-	447,435	500,990	90,848	493,505
Net cash provided by (used in) financing activities		(4,866)	446,857	816,099	(329,534)	195,084
Net increase (decrease) in cash and cash equivalents		(276,572)	113,630	241,033	(310,144)	668
Cash and cash equivalents at beginning of year		500,147	258,928	258,928	568,500	561,818
Net effect of foreign exchange rate changes on cash and cash equivalents		1,292	5	186	572	6,014
Cash and cash equivalents at end of year	5	224,867	372,563	500,147	258,928	568,500

(The notes on pages 1 to 80 are integral part of these consolidated financial statements.)

TVI Resource Development Phils., Inc. and subsidiaries

Notes to Consolidated Financial Statements
As at June 30, 2015 and December 31, 2014
and for the periods ended June 30, 2015 and 2014
(With comparative figures as at December 31, 2013 and 2012 and for years ended December 31, 2014, 2013 and 2012)
(In the notes, all amounts are in thousands Philippine Peso except per share data and unless otherwise stated)

Note 1 - General information

1.1 Corporate information

TVI Resource Development Phils., Inc. (the Parent Company or TVIRD) was incorporated in the Philippines on January 18, 1994 primarily to carry on the business of prospecting, exploring, mining, converting and otherwise producing all kinds of ores, metals and minerals, and the products and by-products thereof. Its subsidiaries are engaged in the general business of drilling and otherwise boring holes into the earth, equipment rentals and similar services for a fee, exploration, mining and production of all kinds of ores, metals and minerals, and the products and by-products thereof, prospecting, locating, developing, exploring, sowing, planting, harvesting, milling, and of processing, preparing for market, buying, selling on wholesale basis, exchanging or otherwise producing all kinds of crops, plants, vegetables, fruit bearing and non-fruit bearing trees, and in the products and by-products thereof of every kind and description and by whatsoever process the same can be or may be produced.

The Parent Company is 68.42%-owned by Prime Resources Holdings, Inc. (PRHI), a wholly-owned subsidiary of Prime Asset Ventures, Inc. (PAVI), incorporated in the Philippines and 30.66%-owned by TVI International Marketing Ltd., a subsidiary of TVI Pacific, Inc. based in Calgary, Canada. As at June 30, 2015, the ultimate parent of the Parent Company is PAVI, a Philippine corporation (Notes 19 and 24.5).

The Parent Company and its subsidiaries (Note 2.2) are herein collectively referred to as the "Group".

The registered office of the Parent Company is 22nd Floor BDO Equitable Bank Tower, 8751 Paseo de Roxas, Makati City.

The Parent Company has 41 regular employees as at June 30, 2015 (December 31, 2014 - 44; December 31, 2013 - 649; and December 31, 2012 - 958).

The consolidated financial statements have been approved and authorized for issue by the Board of Directors on August 7, 2015.

1.2 Status of operations

Canatuan Sulphide Project

The Parent Company completed the development and construction of a copper-zinc flotation plant at the Canatuan Mine Site to process ore from a massive sulphide deposit located beneath the gossan ore body in 2008. The commissioning of the Sulphide Project started in mid-November 2008 and was completed in March 2009.

The following are the key operating statistics in Canatuan mine:

	For the six months ended June 30,		For the years ended December 31,		
	2015	2014	2014	2013	2012
Total revenue from copper and zinc concentrates	-	P0.49 billion	P0.49 billion	P2.32 billion	P3.80 billion
Total concentrate export (copper and zinc)	-	9,187 dmt	9,187 dmt	31,763 dmt	50,007 dmt

In January 2014, the milling operation in Canatuan ended after having exhausted its remaining stockpile. The processing plant was cleaned but equipment remained as the Parent Company continues to assess mine life extension and expansion opportunities.

On November 19, 2013, the Parent Company filed for an application with the DENR for expansion of the contract area of the Canatuan MPSA to include 500 hectares of the Malusok MPSA application.

In November 2014, the Parent Company received regulatory approval to expand its current Canatuan MPSA to include the nearby Greater Canatuan Tenement Areas of Malusok and SE Malusok. This enables the Parent Company to further assess possible economic deposit and thereby give opportunity to expand the Canatuan mining operations. Exploration activities may commence at the Malusok and SE Malusok prospects once TVIRD is given the proper Implementation Rules and Regulations.

Balabag Gold Project

In July 2008, the Parent Company released the Balabag Scoping Study (Genivar 2008). The purpose of the Scoping Study was to assess the mining potential of a stand-alone, commercial, large-scale mining operation centered on the currently delineated Balabag deposit and to provide an order of magnitude of its economic potential.

The Parent Company initiated an internal scoping study for “Bootstrap” mine development and expansion of the drilling program at the Balabag epithermal gold project. Metallurgical testing and social and environmental baseline studies are ongoing. The exploration portion of the program is currently focusing on step-out drilling in the downdip mineralized zones with a view to confirming and extending the Balabag mineral resource.

In April 2011, initial Declaration of Mining Feasibility was submitted to Mines and Geosciences Bureau of the Philippines (MGB) for the Balabag Starter Mine. This report involves an evaluation of the economics of mining a minimum identified "core" resource and includes capital costs such as infrastructure, plant and pit development and operating costs such as mine and mill costs, tailings disposal, environmental remediation and social programs.

In June 2011, the Board of Directors approved the development of the Balabag Gold Project in order to proceed to the development and operations phase of the said project.

In August 2012, the Parent Company filed an updated National Instrument 43-101. The report was prepared for the Parent Company by an independent qualified person. Based on drilling completed to the end of June 2011, the report indicated mineral resource estimate of 1.78 million tonnes averaging 2.34 grams per tonne of gold and 72.3 grams per tonne of silver containing 134,262 ounces of gold and 4,148,196 ounces of silver. Readers are cautioned that such estimates remain conceptual in nature and mineral resources that are not mineral reserves do not have demonstrated economic viability.

In October 2013, the Parent Company received the Environmental Compliance Certificate (ECC) for the proposed Balabag Gold-Silver Project located at Sitio Balabag, Brgy.Depore, Bayog, Zamboanga del Sur.

In October 2014, the Parent Company presented the salient features of its Declaration for Mining Project Feasibility (DMPF) before the MGB Technical Committee. The MGB Technical Committee upon review of the Balabag Project DMPF has additional requirements and comments on its contents, hence, the Parent Company is in the process of completing said requirements.

As at June 30, 2015, the amount of deferred exploration costs related to Balabag Project amounted to P570.69 million (December 31, 2014 - P548.73 million; December 31, 2013 - P495.57 million; December 31, 2012 - P347.83 million) (Note 11).

Agata Nickel Laterite Direct Shipping Ore Project (Agata DSO Project)

Agata Mining Ventures, Inc. (AMVI), a subsidiary, holds an Operating Agreement approved by the MGB and the DENR. This agreement appoints the Parent Company as operator of the project with the mandate to develop and operate the contract area, including the extraction and sale of iron, nickel and other associated minerals, in line with applicable permits and licenses.

The Agata DSO Project site is located in a 4,995-hectare MPSA area located in the adjacent municipalities of Tubay, Jabongga and Santiago in Agusan del Norte province.

On April 10, 2013, a National Instrument 43-101 compliant mineral resource estimate was released and prepared by an independent qualified person. The resource estimate shows that the Agata DSO Project has a proven and probable reserve of 9.7 million wet metric tonnes (WMT) with a grade of 48% iron with 0.9% nickel.

The Agata DSO Project operations began in October 2014 consisting of shipments of approximately 55,000 WMT of high-iron/low nickel ore every three to four weeks. Management is currently planning to ramp up its nickel direct shipping ore operations from a previously stated goal of 2.5 million WMT per year to 5 million WMT through 2016 once it secures an amended and expanded ECC and Declaration of Mining Project Feasibility with the DENR.

As at June 30, 2015, the amount of deferred exploration costs related to this project amounted to P106.89 million (December 31, 2014 - P118.38 million) (Note 11).

Drilling operations

In 2014, Exploration Drilling Corporation (EDCO), a subsidiary, managed to increase drilling services to Titan Mining Energy Corporation, a third party customer, but still incurred net losses amounting to P11.5 million for the year ended December 31, 2014. For the six months ended June 30, 2015, EDCO generated net income of P29.97 million from increased drilling services.

Other subsidiaries

TVIRD intends to provide sufficient level of financial support to its subsidiaries, which currently have no operations, to settle their liabilities and meet their obligations and responsibilities in order to continue as a going concern while prospecting for mining sites to invest in.

Note 2 - Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. The accounting policies used have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC)/Standing Interpretations Committee (SIC)/International Financial Reporting Interpretations Committee (IFRIC), which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by the Securities and Exchange Commission (SEC).

The preparation of these consolidated financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The following standards have been adopted by the Group effective January 1, 2015:

- *Amendment to PAS 24, 'Related party disclosures'*, (July 1, 2014) to include a related party that provides key management personnel services to the parent of the reporting entity. The reporting entity is not required to disclose the compensation paid by the management entity to the management entity's employees or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided. The amendment did not have a significant effect in the Group's consolidated financial statements.

- *Amendment to PFRS 8, 'Operating segments'*, (July 1, 2014) to require disclosure of the judgments made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The standard is further amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported. The amendment did not have a significant effect in the Group's consolidated financial statements since the Group considers all its operations under one reporting segment only.

- *Amendment to PFRS 13, 'Fair value measurement'*, (July 1, 2014) the amendment allows the Group to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of PAS 39 or PFRS 9. The Group shall apply the amendment prospectively from the beginning of the first annual period in which PFRS 13 is applied. The amendment did not have a significant effect in the Group's consolidated financial statements.

(b) New standards, amendments and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after July 1, 2014, and have not been applied in preparing these consolidated financial statements. The standards relevant to the Group are as follows:

- *PFRS 9, 'Financial instruments',* addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of PFRS 9 was issued in July 2014. It replaces the guidance in PAS 39 that relates to the classification and measurement of financial instruments. PFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income (OCI) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in PAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. PFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under PAS 39. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. The Group's initial assessment of PFRS 9's potential impact to its consolidated financial statements provides that it would not significantly change the classification and measurement of its existing financial assets. The Group will continue its assessment and finalize the same upon effective date of the new standard.

- *PFRS 15, 'Revenue from contracts with customers',* deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces PAS 18 'Revenue' and PAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2017 and earlier application is permitted. The Group's initial assessment of PFRS 15's potential impact to its consolidated financial statements provides that its current revenue recognition will not be significantly affected. The Group will continue its assessment and finalize the same upon effective date of the new standard.

There are no other standards, amendments or interpretations that are effective beginning on or after July 1, 2014 that are expected to have a material impact on the Group.

2.2 Consolidation

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company. The Group uses uniform accounting policies and any difference is adjusted properly.

Intercompany transactions, balances and unrealized gains/losses on transactions between group companies are eliminated (Note 7).

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

The details of the Parent Company's subsidiaries included in the consolidated financial statements are as follows:

	Percentage of ownership			
		December 31,		
Entity	June 30, 2015	2014	2013	2012
Silurian Minerals, Incorporated	100	100	60*	60*
Canatuan Mines, Inc.	100	100	61*	61*
Agata Mining Ventures, Inc. (AMVI) (Note 24.5)	60	60	-	-
Exploration Drilling Corporation (EDCO)	100	100	-	-
Alberta Resource Development Corporation	100	100	60*	60*
CAL Mining Ventures, Inc.	100	100	60*	60*
Lake Bonavista Minerals Corporation	100	100	60*	60*
Paramount Copper-Gold Corporation	100	100	60*	60*
Goldcrest Asia Mining Ventures, Inc.	100	100	60*	60*
Pico Minerals Corporation	100	100	60*	60*
TVI Agriproducts, Inc.	100	100	100	100

Non-controlling interest (NCI) is the residual equity in the subsidiary (including AMVI) not attributable, directly or indirectly to the Parent Company as shown in the table above.

*On December 6, 2013, the Board of Directors authorized the Parent Company to purchase from TVI International Marketing Limited's (TVIML) the common shares of the companies resulting to full ownership. There is no change in control assessment over these subsidiaries and the purchase was consummated in 2014.

EDCO and AMVI qualified as subsidiaries of the Parent Company in 2014.

On October 1, 2014, TVIRD obtained 60% of share capital of AMVI (Note 23.5.b.iv).

The following table summarizes the consideration fee for the acquired business, the fair values of the assets acquired, liabilities assumed, and the non-controlling interest at acquisition date.

Total contribution - option to purchase (Note 12)		201,585
Cash and cash equivalents	75,167	
Receivables	43,786	
Prepayments and other current assets	10,295	
Due from related parties	26	
Property and equipment	46,555	
Mining claims and deferred exploration costs	29,252	
Trade payables	(97,406)	
Due to related parties	(5,937)	
Accrued expenses and other liabilities	(19,753)	
Identifiable intangible assets:		
Mining claims and deferred exploration costs	119,600	
Net assets	-	(201,585)
Total goodwill		-

There were no acquisition-related costs charged to profit or loss. The fair values of receivables approximate its carrying value and are equal to its contractual amount.

The Group did not recognize goodwill based on its fair value assessment of net assets after considering NCI rights over AMVI.

The revenue included in the consolidated statement of total comprehensive income since October 1, 2014 contributed by AMVI was P391 million. AMVI also contributed profit of P94 million over the same period.

Had AMVI been consolidated from January 1, 2014, the consolidated statement of total comprehensive income for the year ended December 31, 2014 would show revenue of P889 million and profit of P4.6 million.

In relation to intangible asset recognized arising from mining claims and deferred exploration costs, amortization expense has been recognized by the Group amounting to P8.98 million in 2015 (2014 - P1.2 million).

Details of consolidated financial position as at June 30, 2015 and December 31, 2014, 2013 and 2012, after accounting for acquisition of EDCO as transaction resulting to business combination of entities under common control using predecessor cost method is presented below. The combination was applied retrospectively, as if the new subsidiary had always been combined as at the earliest period presented:

June 30, 2015	TVIRD and other subsidiaries	EDCO	AMVI	Adjustments	Consolidated
ASSETS					
Current assets					
Cash and cash equivalents	127,300	22,683	74,884	-	224,867
Receivables, net	141,053	27,529	418,848	(90,770)	496,660
Due from related parties	268,655	9,627	-	(277,945)	337
Inventories, net	89,368	39,674	5,344	-	134,386
Prepayments and other current assets, net	155,093	391	101,627	(37,074)	220,037
Total current assets	781,469	99,904	600,703	(405,789)	1,076,287
Non-current assets					
Property and equipment, net	297,178	11,580	418,832	(37,621)	689,969
Mining claims and deferred exploration costs, net	585,143	-	31,563	60,884	677,590
Investment in subsidiaries, net	538,294	-	-	(538,294)	-
Option to purchase contracts	-	-	-	250,850	250,850
Retirement plan asset	23,765	-	-	-	23,765
Other non-current assets	134,159	-	500	-	134,659
Total non-current assets	1,578,539	11,580	450,895	(264,181)	1,776,833
Total assets	2,360,008	111,484	1,051,598	(669,970)	2,853,120
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	29,151	5,205	110,386	(63,668)	81,074
Due to related parties	30,048	248,678	5,940	(277,945)	6,721
Accrued expenses and other liabilities	45,760	49,904	217,568	(64,499)	248,733
Current portion of estimated liability for restoration costs	53,929	-	-	-	53,929
Current portion of borrowings	1,062	-	144,640	-	145,702
Total current liabilities	159,950	303,787	478,534	(406,112)	536,159
Non-current liabilities					
Estimated liability for restoration costs, net of current portion	19,178	-	145,122	-	164,300
Borrowings, net of current portion	3,212	-	216,960	-	220,172
Deposit for future stock subscription	-	-	26,600	(26,600)	-
Retirement benefit obligation	-	3,468	2,700	-	6,168
Total non-current liabilities	22,390	3,468	391,382	(26,600)	390,640
Total liabilities	182,340	307,255	869,916	(432,712)	926,799
Equity					
Attributable to owners of the Parent Company					
Share capital	204,000	14,000	66,667	(131,445)	153,222
Share premium	2,980,610	11,414	134,918	(1,373,747)	1,753,195
Treasury shares	(37,408)	-	-	-	(37,408)
Retained earnings	(928,665)	(222,901)	(19,207)	1,525,721	354,948
Other reserves	(40,869)	1,716	(696)	(291,080)	(330,929)
Non-controlling interest	-	-	-	33,293	33,293
Total equity	2,177,668	(195,771)	181,682	(237,258)	1,926,321
Total liabilities and equity	2,360,008	111,484	1,051,598	(669,970)	2,853,120

December 31, 2014	TVIRD and other subsidiaries	EDCO	AMVI	Adjustments	Consolidated
ASSETS					
Current assets					
Cash and cash equivalents	70,075	1,728	428,344	-	500,147
Receivables, net	158,224	22,920	281,744	(141,821)	321,067
Due from related parties	277,668	9,627	-	(286,937)	358
Inventories, net	90,821	42,084	25,567	-	158,472
Prepayments and other current assets, net	165,332	3,379	41,657	(36,585)	173,783
Total current assets	762,120	79,738	777,312	(465,343)	1,153,827
Non-current assets					
Property and equipment, net	309,001	9,219	151,911	(13,413)	456,718
Mining claims and deferred exploration costs, net	563,185	-	36,068	67,862	667,115
Investment in subsidiaries, net	287,445	-	-	(287,445)	-
Option to purchase contracts	238,682	-	-	-	238,682
Retirement plan asset	25,390	-	-	-	25,390
Other non-current assets	133,661	-	500	-	134,161
Total non-current assets	1,557,364	9,219	188,479	(232,996)	1,522,066
Total assets	2,319,484	88,957	965,791	(698,339)	2,675,893
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	20,228	8,473	146,387	(138,454)	36,634
Due to related parties	24,092	257,692	5,940	(286,896)	828
Accrued expenses and other liabilities	58,562	45,031	244,742	(40,025)	308,310
Current portion of estimated liability for restoration costs	76,977	-	-	-	76,977
Current portion of borrowings	-	-	119,253	-	119,253
Income tax payable	3	-	-	-	3
Total current liabilities	179,862	311,196	516,322	(465,375)	542,005
Non-current liabilities					
Estimated liability for restoration costs, net of current portion	19,179	-	-	-	19,179
Borrowings, net of current portion	-	-	238,507	-	238,507
Deferred tax liability	6	-	-	-	6
Deposit for future stock subscription	-	-	26,600	(26,600)	-
Retirement benefit obligation	-	3,395	-	-	3,395
Total non-current liabilities	19,185	3,395	265,107	(26,600)	261,087
Total liabilities	199,047	314,591	781,429	(491,975)	803,092
Equity					
Attributable to owners of the Parent Company					
Share capital	204,000	14,000	66,667	(131,445)	153,222
Share premium	2,980,610	11,414	134,918	(1,373,747)	1,753,195
Treasury shares	(37,408)	-	-	-	(37,408)
Retained earnings	(1,020,065)	(252,866)	(17,223)	1,589,908	299,754
Other reserves	(43,578)	1,818	-	(291,080)	(332,840)
Non-controlling interest	36,878	-	-	-	36,878
Total equity	2,120,437	(225,634)	184,362	(206,364)	1,872,801
Total liabilities and equity	2,319,484	88,957	965,791	(698,339)	2,675,893

December 31, 2013	TVIRD and other subsidiaries	EDCO	AMVI	Adjustments	Consolidated
ASSETS					
Current assets					
Cash and cash equivalents	254,141	4,787	-	-	258,928
Receivables, net	50,751	15,625	-	(3,196)	63,180
Due from related parties	277,277	9,627	-	(286,767)	137
Inventories, net	355,241	44,424	-	-	399,665
Prepayments and other current assets, net	61,637	3,187	-	(37,279)	27,545
Total current assets	999,047	77,650	-	(327,242)	749,455
Non-current assets					
Property and equipment, net	312,497	15,543	-	-	328,040
Mining claims and deferred exploration costs, net	510,930	-	-	(14,452)	496,478
Investment in subsidiaries, net	9,447	-	-	(9,447)	-
Option to purchase contracts	269,764	-	-	-	269,764
Retirement plan asset	12,262	-	-	-	12,262
Other non-current assets	130,945	-	-	-	130,945
Total non-current assets	1,245,845	15,543	-	(23,899)	1,237,489
Total assets	2,244,892	93,193	-	(351,141)	1,986,944
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	106,671	12,345	-	-	119,016
Due to related parties	31,186	271,770	-	(286,767)	16,189
Accrued expenses and other liabilities	330,479	34,703	-	(39,869)	325,313
Current portion of estimated liability for restoration costs	43,224	-	-	-	43,224
Income tax payable	1,395	-	-	-	1,395
Total current liabilities	512,955	318,818	-	(326,636)	505,137
Non-current liabilities					
Estimated liability for restoration costs, net of current portion	69,475	-	-	-	69,475
Retirement benefit obligation	-	6,672	-	-	6,672
Total non-current liabilities	69,475	6,672	-	-	76,147
Total liabilities	582,430	325,490	-	(326,636)	581,284
Equity					
Attributable to owners of the Parent Company					
Share capital	173,180	12,000	-	(55,940)	129,240
Share premium	2,497,137	-	-	(1,220,950)	1,276,187
Retained earnings	(1,044,453)	(241,365)	-	1,594,105	308,287
Other comprehensive loss	-	(2,932)	-	2,932	-
Other reserves	-	-	-	(344,652)	(344,652)
Non-controlling interest	36,598	-	-	-	36,598
Total equity	1,662,462	(232,296)	-	(24,505)	1,405,660
Total liabilities and equity	2,244,892	93,193	-	(351,141)	1,986,944

December 31, 2012	TVIRD and other subsidiaries	EDCO	AMVI	Adjustments	Consolidated
ASSETS					
Current assets					
Cash and cash equivalents	531,969	36,531	-	-	568,500
Receivables, net	258,751	8,416	-	(3,541)	263,626
Due from related parties	132,493	19,860	-	(40,992)	111,361
Inventories, net	281,318	50,046	-	-	331,364
Prepayments and other current assets, net	68,053	2,989	-	(39,651)	31,391
Total current assets	1,272,584	117,842	-	(84,184)	1,306,242
Non-current assets					
Property and equipment, net	548,192	24,352	-	-	572,544
Mining claims and deferred exploration costs, net	414,795	-	-	(8,048)	406,747
Investment in subsidiaries, net	6,073	-	-	(6,073)	-
Option to purchase contracts	55,130	-	-	-	55,130
Other non-current assets	131,475	-	-	-	131,475
Total non-current assets	1,155,665	24,352	-	(14,121)	1,165,896
Total assets	2,428,249	142,194	-	(98,305)	2,472,138
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	131,006	15,280	-	-	146,286
Due to related parties	29,038	301,251	-	(40,992)	289,297
Accrued expenses and other liabilities	112,263	39,515	-	(42,048)	109,730
Current portion of estimated liability for restoration costs	32,496	-	-	-	32,496
Current portion of borrowings	410,500	-	-	-	410,500
Income tax payable	417	-	-	-	417
Total current liabilities	715,720	356,046	-	(83,040)	988,726
Non-current liabilities					
Estimated liability for restoration costs, net of current portion	106,838	-	-	-	106,838
Retirement benefit obligation	62,217	3,292	-	-	65,509
Total non-current liabilities	169,055	3,292	-	-	172,347
Total liabilities	884,775	359,338	-	(83,040)	1,161,073
Equity					
Attributable to owners of the Parent Company					
Share capital	68,722	12,000	-	(45,313)	35,409
Share premium	2,492,620	-	-	(1,220,950)	1,271,670
Retained earnings	(929,560)	(229,144)	-	1,452,573	293,869
Other reserves	(143,937)	-	-	(201,575)	(345,512)
Non-controlling interest	55,629	-	-	-	55,629
Total equity	1,543,474	(217,144)	-	(15,265)	1,311,065
Total liabilities and equity	2,428,249	142,194	-	(98,305)	2,472,138

Details of consolidated results of operations for the six months ended June 30, 2015 and 2014 and for the years ended December 31, 2014, 2013 and 2012 are as follows:

For the six months ended June 30, 2015	TVIRD and dormant subsidiaries	EDCO	AMVI	Adjustments	Consolidated
Revenues					
Drilling revenue	-	66,921	-	(59,068)	7,853
Sale of nickel ore	-	-	504,604	-	504,604
Royalty income	21,719	-	-	-	21,719
Other revenues	123,475	-	-	(120,388)	3,087
Total revenues	145,194	66,921	504,604	(179,456)	537,263
Costs and expenses					
Cost of sales and services	6,871	26,385	352,308	(33,050)	352,514
General and administrative expenses	69,978	9,625	137,825	(115,220)	102,208
Exploration costs	4,984	-	-	-	4,984
Total operating costs and expenses	81,833	36,010	490,133	(148,270)	459,706
Income from operations	63,361	30,911	14,471	(31,186)	77,557
Other operating income (expenses)	(9,061)	(256)	(4,312)	291	(13,338)
Finance costs and income					
Financing costs	(161)	-	(8,979)	-	(9,140)
Foreign exchange loss, net	-	-	(4,577)	-	(4,577)
Interest income	1,500	8	1,414	-	2,922
Total other operating expenses, finance costs and income	(7,722)	(248)	(16,454)	291	(24,133)
Income (loss) before income tax	55,639	30,663	(1,983)	(30,895)	53,424
Provision for income tax	(1,118)	(697)	-	-	(1,815)
Net income (loss) for the year	54,521	29,966	(1,983)	(30,895)	51,609
Other comprehensive income					
Remeasurement gain on retirement benefits	1,911	-	-	-	1,911
Total comprehensive income (loss)	56,432	29,966	(1,983)	(30,895)	53,520

For the six months ended June 30, 2014	TVIRD and dormant subsidiaries	EDCO	AMVI	Adjustments	Consolidated
Revenues					
Sale of copper and zinc concentrates	490,505	-	-	-	490,505
Drilling revenue	-	6,477	-	(5,020)	1,457
Other revenue	7,113	-	-	-	7,113
Total revenues	497,618	6,477	-	(5,020)	499,075
Costs and expenses					
Cost of sales and services	552,889	4,169	-	(1,524)	555,534
General and administrative expenses	48,578	13,095	-	-	61,673
Exploration costs	9,051	-	-	(3,496)	5,555
Total operating costs and expenses	610,518	17,264	-	(5,020)	622,762
Income from operations	(112,900)	(10,787)	-	-	(123,687)
Other operating income (expenses)	(19,965)	305	-	-	(19,660)
Finance costs and income					
Financing costs	(578)	-	-	-	(578)
Interest income	725	24	-	-	749
Total other operating expenses, finance costs and income	(19,818)	329	-	-	(19,489)
Income (loss) before income tax	(132,718)	(10,458)	-	-	(143,176)
Provision for income tax	(125)	-	-	-	(125)
Net income (loss) for the year	(132,843)	(10,458)	-	-	(143,301)
Other comprehensive income					
Remeasurement gain (loss) on retirement benefits	(3,716)	-	-	21,337	17,621
Total comprehensive income (loss)	(136,559)	(10,458)	-	21,337	(125,680)

For the year ended December 31, 2014	TVIRD and other subsidiaries	EDCO	AMVI	Adjustments	Consolidated
Revenues					
Sale of copper and zinc concentrates	490,505	-	-	-	490,505
Drilling revenue	-	28,234	-	(26,167)	2,067
Sale of nickel ore	-	-	391,328	-	391,328
Other revenue	5,343	-	-	-	5,343
Total revenues	495,848	28,234	391,328	(26,167)	889,243
Costs and expenses					
Cost of sales and services	405,151	27,332	211,642	(20,814)	623,311
General and administrative expenses	225,627	12,497	78,902	(80,890)	236,136
Exploration costs	3,201	-	4,965	-	8,166
Total operating costs and expenses	633,979	39,829	295,509	(101,704)	867,613
Income from operations	(138,131)	(11,595)	95,819	75,537	21,630
Other operating income (expenses)	108,190	71	(1,124)	(101,130)	6,007
Finance costs and income					
Financing costs	(578)	-	(578)	-	(1,156)
Foreign exchange loss, net	-	(8)	-	-	(8)
Interest income	2,425	30	226	-	2,681
Total other operating expenses, finance costs and income	110,037	93	(1,476)	(101,130)	7,524
Income (loss) before income tax	(28,094)	(11,502)	94,343	(25,593)	29,154
Provision for income tax	(809)	-	-	-	(809)
Net income (loss) for the year	(28,903)	(11,502)	94,343	(25,593)	28,345
Other comprehensive income					
Remeasurement gain on retirement benefits	-	-	11,812	-	11,812
Total comprehensive income (loss)	(28,903)	(11,502)	106,155	(25,593)	40,157

For the year ended December 31, 2013	TVIRD and other subsidiaries	EDCO	AMVI	Adjustments	Consolidated
Revenues					
Sale of copper and zinc concentrates	2,322,468	-	-	-	2,322,468
Drilling revenue	-	69,070	-	(18,471)	50,599
Other revenue	66,863	-	-	-	66,863
Total revenues	2,389,331	69,070	-	(18,471)	2,439,930
Costs and expenses					
Cost of sales and services	2,245,136	61,538	-	(10,353)	2,296,321
General and administrative expenses	70,721	19,883	-	-	90,604
Exploration costs	11,519	-	-	(1,713)	9,806
Total operating costs and expenses	2,327,376	81,421	-	(12,066)	2,396,731
Income from operations	61,955	(12,351)	-	(6,405)	43,199
Other operating income (expenses)	(34,419)	467	-	3,557	(30,395)
Finance costs and income					
Financing costs	(5,985)	-	-	-	(5,985)
Foreign exchange loss, net	(1,661)	-	-	-	(1,661)
Interest income	6,670	-	-	-	6,670
Total other operating expenses, finance costs and income	(35,395)	467	-	3,557	(31,371)
Income (loss) before income tax	26,560	(11,884)	-	(2,848)	11,828
Provision for income tax	(1,921)	(336)	-	-	(2,257)
Net income (loss) for the year	24,639	(12,220)	-	(2,848)	9,571
Other comprehensive income					
Remeasurement loss on retirement benefits	(2,072)	-	-	-	(2,072)
Total comprehensive income (loss)	22,567	(12,220)	-	(2,848)	7,499

For the year ended December 31, 2012	TVIRD and dormant subsidiaries	EDCO	AMVI	Adjustments	Consolidated
Revenues					
Sale of copper and zinc concentrates	3,797,059	-	-	-	3,797,059
Drilling revenue	-	40,050	-	(40,050)	-
Other revenue	158,007	-	-	-	158,007
Total revenues	3,955,066	40,050	-	(40,050)	3,955,066
Costs and expenses					
Cost of sales and services	3,024,786	54,617	-	(27,443)	3,051,960
General and administrative expenses	303,175	15,348	-	-	318,523
Exploration costs	163,862	-	-	(4,559)	159,303
Total operating costs and expenses	3,491,823	69,965	-	(32,002)	3,529,786
Income from operations	463,243	(29,915)	-	(8,048)	425,280
Other operating income (expenses)	(783,321)	10,591	-	736,816	(35,914)
Finance costs and income					
Financing costs	(11,177)	-	-	-	(11,177)
Foreign exchange loss, net	31,393	-	-	-	31,393
Interest income	36,528	-	-	-	36,528
Total other operating expenses, finance costs and income	(726,577)	10,591	-	736,816	20,830
Income (loss) before income tax	(263,334)	(19,324)	-	728,768	446,110
Provision for income tax	(1,499)	-	-	-	(1,499)
Net income (loss) for the year	(264,833)	(19,324)	-	728,768	444,611
Other comprehensive income					
Remeasurement loss on retirement benefits	(20,453)	-	-	-	(20,453)
Total comprehensive income (loss)	(285,286)	(19,324)	-	728,768	424,158

The following table presents the summarized financial information of subsidiaries with significant non-controlling interest as reported in their financial statements as at and for the periods ended June 30, 2015, and December 31, 2014, 2013 and 2012:

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity (capital deficiency)	Revenue	Net income (loss)/ Total OCI
June 30, 2015							
Agata Mining Ventures, Inc.	600,703	450,895	478,534	391,392	181,682	504,604	(1,983)
December 31, 2014							
Agata Mining Ventures, Inc.	777,312	188,479	516,322	265,107	184,362	391,328	106,155
December 31, 2013							
Silurian Minerals, Incorporated	63	-	9,612	-	(9,549)	-	(147)
Canatuan Mines, Inc.	5,459	-	8,102	-	(2,643)	-	(361)
Alberta Resource Development	5,237	-	3,447	-	1,790	-	(511)
CAL Mining Ventures, Inc.	2,121	-	-	-	2,121	-	(40)
Lake Bonavista Minerals Corporation	2,179	-	22	-	2,156	-	(41)
Paramount Copper-Gold Corporation	2,109	-	22	-	2,087	-	(41)
Goldcrest Asia Mining Ventures, Inc.	2,088	-	22	-	2,066	-	(41)
Pico Minerals Corporation	5	-	315	-	(310)	-	(155)
Agata Mining Ventures, Inc.	7,813	28,639	9,505	-	42,029	-	(78,034)
December 31, 2012							
Silurian Minerals, Incorporated	58	-	9,460	-	(9,402)	-	(422)
Canatuan Mines, Inc.	794	-	8,077	-	(7,283)	-	(1,253)
Alberta Resource Development	117	-	3,443	-	(3,326)	-	(181)
CAL Mining Ventures, Inc.	2,185	-	22	-	2,163	-	(34)
Lake Bonavista Minerals Corporation	2,219	-	22	-	2,197	-	(33)
Paramount Copper-Gold Corporation	2,151	-	22	-	2,129	-	(34)
Goldcrest Asia Mining Ventures, Inc.	2,129	-	22	-	2,107	-	(34)
Pico Minerals Corporation	-	-	155	-	(155)	-	(43)
Exploration and Drilling Corporation	117,842	24,351	356,046	3,292	(217,145)	40,050	(19,323)

	Cash flows from operating activities		Cash flows from financing activities		Cash flows from investing activities	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Silurian Minerals, Incorporated	427	-	-	-	-	-
Canatuan Mines, Inc.	(1,369)	-	-	6,180	-	-
Alberta Resource Development Corporation	(19,688)	-	-	7,123	-	-
CAL Mining Ventures, Inc.	-	-	-	-	-	-
Lake Bonavista Minerals Corporation	-	-	-	-	-	-
Paramount Copper-Gold Corporation	-	-	-	-	-	-
Goldcrest Asia Mining Ventures, Inc.	-	-	-	-	-	-
Pico Minerals Corporation	-	-	-	-	-	-
Exploration and Drilling Corporation (EDCO)	26,291	-	-	-	(5,336)	-
Agata Mining Ventures, Inc.	(80,831)	117,108	-	472,405	(272,708)	(163,997)

	Cash flows from operating activities		Cash flows from financing activities		Cash flows from investing activities	
	2013	2012	2013	2012	2013	2012
Silurian Minerals, Incorporated	(13)	(746,942)	-	747,000	-	-
Canatuan Mines, Inc.	(339)	(483,412)	5,001	484,150	-	-
Alberta Resource Development Corporation	(520)	11	5,626	-	-	-
CAL Mining Ventures, Inc.	(24)	-	-	-	-	-
Lake Bonavista Minerals Corporation	(3)	-	-	-	-	-
Paramount Copper-Gold Corporation	(3)	-	-	-	-	-
Goldcrest Asia Mining Ventures, Inc.	(3)	-	-	-	-	-
Pico Minerals Corporation	-	-	-	-	-	-
Exploration and Drilling Corporation (EDCO)	-	(2,230)	-	-	-	(5,400)
Agata Mining Ventures, Inc.	(71,026)	-	96,869	-	(29,497)	-

All subsidiaries are incorporated in the Philippines and are primarily engaged to carry on the business of prospecting, exploring, mining, converting and otherwise producing all kinds of ores, metals and minerals, and the products and by-products thereof.

In July 2014, the Board of Directors approved the shortening of the corporate term of the following subsidiaries up to December 31, 2015:

(a) CAL Mining Ventures, Inc.
(b) Lake Bonavista Mining Ventures, Inc.
(c) Goldcrest Mining Ventures, Inc.
(d) Paramount Copper-Gold Corporation
(e) Pico Minerals, Inc.
(f) Silurian Minerals, Incorporated

The investments on the above companies have been fully impaired as recoverability is not assured.

(a) Business combinations through acquisition of business

The Group applies the acquisition method to account for business combinations that are not under common control. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is not accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss.

(b) Business combinations under common control

Business combinations under common control, which include those entities under common shareholding, are accounted for using the predecessor cost method (similar to merger accounting/pooling of interest method). Under this method, the Group does not restate the acquired businesses or assets and liabilities to their fair values. The net assets of the combining entities or businesses are combined using the carrying amounts of assets and liabilities of the acquired entity from the consolidated financial statements of the highest entity that has common control for which financial statements are prepared. No amount is recognized in consideration for goodwill or the excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over their cost at the time of the common control combination.

The consolidated financial statements incorporate the assets, liabilities and results of operations of the combining entities or businesses as if they had always been combined or from the date when the combining entities or businesses first became under common control, whichever period is shorter. The difference between the consideration given and the aggregate book value of the assets and liabilities acquired as at the date of the transaction are offset against other reserve, which is presented as a separate line item under equity in the consolidated statement of financial position.

(c) Derecognition

Investment in subsidiary is derecognized upon disposal or loss of control over a subsidiary. Any gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in profit or loss. Upon loss of control, the investment account is measured at fair value, any difference between carrying amount and the fair value of investment is recognized in profit or loss.

2.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less carried at nominal amounts.

2.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: (a) financial assets at fair value through profit or loss; (b) loans and receivables; (c) held-to-maturity investments; and (d) available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Except for loans and receivables and financial assets at fair value through profit or loss, the Group did not hold financial assets under other categories as at and for the six months ended June 30, 2015 and 2014 and for the years ended December 31, 2014, 2013 and 2012 (Note 21).

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date, in which case, these are classified as non-current assets. The Group's loans and receivables comprise cash and cash equivalents, trade and other receivables (except creditable withholding taxes and advances to suppliers), due from related parties, and environmental trust funds (under other non-current assets) in the consolidated statement of financial position.

Financial assets at fair value through profit or loss has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss that are managed and their performances are evaluated on a fair value basis, in accordance with the Group strategy. Assets in this category are classified as current assets if expected to be settled within 12 months. Otherwise they are classified as non-current. The Parent Company's option to purchase contracts is classified under this category (Note 2.11).

(b) Recognition and measurement

(i) Initial recognition, measurement and derecognition

Regular-way purchases and sales of financial assets are recognized on trade-date (the date on which the Group commits to purchase or sell the asset). Financial assets are initially recognized at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognized at fair value. Transaction costs for financial assets at fair value through profit or loss are recognized immediately as expense. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

(ii) Subsequent measurement

Loans and receivables are carried at amortized cost using the effective interest method. Financial assets at fair value through profit or loss are subsequently carried at fair value.

(c) Impairment of financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Financial assets or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganization; and
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, among others.

For loans and receivables category, the Group first assesses whether objective evidence of impairment exists individually for receivables that are individually significant, and collectively for receivables that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed receivable, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses those for impairment. Receivables that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in profit or loss. Reversals of previously recorded impairment provision are based on the result of management's update assessment, considering the available facts and changes in circumstances, including but not limited to results of recent discussions and arrangements entered into with customers as to the recoverability of receivables at the end of the reporting period. Subsequent recoveries of amounts previously written-off are credited to profit or loss.

Impairment testing of receivables is described in Note 2.5.

Financial liabilities

(a) Classification

The Group classifies its financial liabilities at initial recognition in the following categories: (a) at fair value through profit or loss and (b) other financial liabilities. As at and for the six months ended June 30, 2015 and 2014 and for the years ended December 31, 2014, 2013 and 2012, the Group has financial liabilities under the category other financial liabilities.

Other financial liabilities pertain to issued financial instruments or their components where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder. Other financial liabilities include borrowings, trade payables, due to related parties, accrued expenses and other payables (except amounts due to the government or its agencies and customers deposits) (Note 21).

(b) Recognition and measurement

(i) Initial recognition, measurement and derecognition

Financial liabilities are initially recognized at fair value of the consideration received less directly attributable transaction costs. A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

(ii) Subsequent measurement

Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are integral part of the effective interest rate.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. No offsetting of financial instruments was made in 2015, 2014, 2013 and 2012.

2.5 Receivables

Trade receivables with average credit term of 30 to 90 days are measured at the original invoice amount (as the effect of discounting is immaterial), less any provision for impairment. Other receivables are recorded at fair value and subsequently measured at amortized cost using the effective interest method less provision for impairment, if any.

A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered as indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. When a receivable is determined to be no longer collectible and/or with high likelihood that the Group will be unable to collect after the Group has exerted all legal remedies, it is written-off against the allowance account for receivables. The Group first assesses whether objective evidence of impairment exists individually for receivables that are individually significant, and collectively for receivables that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed receivable, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses those for impairment. Receivables that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment. Subsequent reversal of impairment provisions and recoveries of amounts previously written-off are credited to profit or loss.

2.6 Advances to suppliers

Advances to suppliers represent advance payment made on goods and services to be acquired. These will be refunded or charged as expense or capitalized as part of the assets upon actual receipt of goods and services. These are measured initially and carried at cost or nominal amount.

2.7 Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less costs to complete and applicable variable selling expenses.

Cost is determined using the following basis:

- Finished goods, ore stockpile are valued using the moving average method. Finished goods represent copper and zinc concentrates, limonite and saprolite nickel ores; ore stockpile represent ore ready for processing. The cost of finished goods, and ore stockpile consists of direct materials, direct labor, other direct costs and related production overheads (based on normal operating capacity).

- Mine and mill materials, spare and replacement parts, drilling materials and supplies inventory is valued using the moving average method with provision for obsolete and slow-moving items. Costs include the purchase price and other incidental costs of acquisition.

Cost of inventories excludes borrowing costs.

The amount of any write-down of inventories to net realizable value and all losses of inventories is recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

Inventories are derecognized when they are sold or consumed. The carrying amount of those inventories is recognized as a cost/expense in profit or loss in the period in which the related revenue is recognized.

2.8 Prepayments and other current assets

Prepayments, which are stated at cost, are initially recognized at cost and reduced by the amount of amortization over the term of the prepayments made which is charged to expense. An impairment allowance is set-up based on a review of movement and/or condition of each asset.

A provision for impairment of unrecoverable input value added tax (VAT) is established when there is objective evidence that the Group will not be able to recover the claims. The carrying amount of the asset is reduced through the use of an allowance account and the amount of loss is recognized in profit or loss. Subsequent reversal of impairment provisions is credited to other income in profit or loss.

Claim for input VAT is derecognized when actually applied against output VAT or disallowed by tax authority.

2.9 Property and equipment

Property and equipment are carried at cost less subsequent depreciation and impairment, if any. Cost includes expenditure that is directly attributable to the acquisition of the assets.

The costs of construction-in-progress are accumulated in the accounts until the project is completed and put into operational use upon which they are classified to the appropriate property accounts and depreciated accordingly except for the tailings dams which construction for the improvement of the dam is a continuing activity. The tailings dams are being used in the operations and is subject to depreciation. Construction-in-progress is stated at cost, which includes cost of construction and other direct costs.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the following methods to allocate the cost of each asset less its residual values over its estimated useful life.

Asset class	Method	Estimated useful life
Transportation and heavy equipment	Straight-line	3 years
Communication and other equipment	Straight-line	2-5 years
Field, drilling, surveying and geological equipment	Straight-line	5 years
Computer, office furniture and security equipment	Straight-line	2-5 years
Plant, buildings and leasehold improvements	Straight-line	2-5 years

Leasehold improvements are amortized over the term of the lease or the estimated useful life of the improvements, whichever is shorter.

Equipment, causeway, roadway and bridges under the class plant, building and leasehold improvement are depreciated using unit of production method based on estimated economically recoverable reserves to which they relate.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.12). Property and equipment that are no longer used in the operations or those considered as idle are reclassified to other non-current assets (Note 13) which are still subjected to straight-line depreciation using the estimated useful life.

The initial estimate of the costs of dismantling and restoring the mine site is included in property and equipment (Notes 2.17).

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal at which time the cost and their related accumulated depreciation are removed from the accounts. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

2.10 Mining claims and deferred exploration costs

The Group expenses all exploration costs as incurred until it determines that the property is capable of achieving commercial production at which time all further pre-production costs are capitalized at cost. Such costs include acquisition, exploration, operating, other related costs and administration expenditures net of any mineral revenues received during commissioning. When a property is brought into production, the costs are amortized using the unit-of-production method based on that property's proven and probable ore reserves. If a property is abandoned, capitalized costs are charged to profit or loss in the year of abandonment.

The Group classifies mining claims and deferred exploration costs as tangible or intangible according to the nature of the asset acquired or cost incurred and applies the classification consistently. Certain deferred exploration costs are treated as intangible (e.g. license and legal fees), whereas others are tangible (e.g. vehicles). To the extent that a tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is part of the cost of the intangible asset. However, using a tangible asset to develop an intangible asset does not change a tangible asset into an intangible asset.

Total accumulated cost during the development phase will be subject to depletion upon start of commercial operations, which will be computed using the units-of-production method based on proven and probable reserves.

The related policy on assessment of impairment of mining claims and deferred exploration costs is disclosed in Note 2.12.

2.11 Option to purchase contracts

The Parent Company finances the exploration costs associated with mining and ore processing operations of certain companies (Note 2.4). Such costs include acquisition, exploration, other related costs and administration during commissioning. If the exploration is not successful and/or commercial operation is not achieved, capitalized costs are charged to profit and loss in the year when it is determined.

2.12 Impairment of non-financial assets

The carrying values of property and equipment, input value-added tax, investments in joint arrangements, and mining claims and deferred exploration costs are tested for impairment annually or whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Value in use requires entities to make estimates of future cash flows to be derived from the particular asset, and discount them using a pre-tax market rate that reflects current assessments of the time value of money and the risks specific to the asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. The recognition or reversal of an impairment loss is credited to profit or loss.

2.13 Mine rehabilitation fund

The face value of the fund approximates the amortized cost, since it earns interest at the prevailing market interest rate. Regular contributions are made to the trust fund, created in accordance with statutory requirements, to fund the estimated cost of pollution control, rehabilitation and mine closure at the end of the life of the Group's mines. Contributions are determined on the basis of the estimated environmental obligation over the life of the mine. Income earned from environmental trust funds deposited in banks is accounted for as interest income. The deposits in trust funds are included under other non-current assets in the consolidated statement of financial position and classified as loans and other receivables financial assets (Notes 2.4 and 13).

2.14 Trade payables, accrued expenses and other payables

Trade payables, accrued expenses and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables, accrued expenses and other payables are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Group is established and these are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

2.15 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the financial reporting date. Furthermore, borrowings are classified as non-current based on the repayments terms which extend more than 12 months from reporting date.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Deferred finance cost represents various expenses associated with borrowings such as legal and arrangement fees, cost of share purchase warrants issued to the lenders, and prepayment premiums. These costs were deferred and will be amortized over the life of the loan. The deferred financing cost is charged against the related loan borrowings.

Additional deferred financing costs will be recognized as an adjustment to the carrying amount of the loan, correspondingly effective interest rate will be adjusted from the date of change.

Borrowings are derecognized when it is extinguished, that is, when the obligation is discharged, cancelled or has expired. Any substantial modifications to the terms of the loan are accounted as an extinguishment of the original liability and recognition of a new liability.

All borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. All other borrowing costs are expensed as incurred.

2.16 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (net operating loss carryover or NOLCO) and unused tax credits (excess minimum corporate income tax or MCIT) to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized.

Deferred income tax liabilities are recognized in full for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Realization of the future tax benefits relating to the deferred income tax assets is dependent on many factors including the Group's ability to generate taxable income within the net operating loss carry-over period. Management has considered these factors in reaching its conclusion that no deferred income tax assets should be recognized in the consolidated financial statements as at and for the six months ended June 30, 2015 and 2014 and for the years ended December 31, 2014, 2013 and 2012.

The Group reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset. Deferred income tax assets and liabilities are derecognized when the relevant temporary differences are realized/settled or recoverability is no longer probable.

2.17 Provisions

Provisions are recognized when: (a) the Group has a present legal or constructive obligation as a result of past events; (b) it is more probable that an outflow of resources will be required to settle the obligation; and (c) the amount has been reliably estimated. Provisions are not recognized for future operating losses. Provisions are derecognized when the obligation is settled, cancelled or has expired.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases specific to the liability. The increase in provision due to passage of time is recognized as interest expense.

The Group recognizes the estimated costs of mine rehabilitation, which includes among others, decommissioning, restoration and reforestation of the areas disturbed during the development stage and commercial operations. The provision is discounted where material and the unwinding of the discount is recognized as accretion and included as part of other operating expenses. At the time of establishing the provision, the corresponding asset is capitalized where it gives rise to a future benefit and depreciated; obligation is reduced by costs incurred in actual decommissioning / dismantling and restoration/reforestation (Note 15). The provision is classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

2.18 Employee benefits

(a) Retirement benefit obligations

The Parent Company and a subsidiary maintain non-contributory defined benefit retirement plan each, which is a retirement plan that defines an amount of pension benefit that an employee will receive upon retirement, dependent on certain factors such as age, years of credited service, and compensation. The liability recognized in the statement of financial position in respect of the defined benefit retirement plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets.

In cases when the amount determined results in a surplus (being an excess of the fair value of the plan assets over the present value of the defined benefit obligation), the Group measures the resulting asset at the lower of (a) such amount determined, and (b) the present value of any economic benefits available in the form of refunds or reductions in future contributions to the plan. The defined benefit obligation is calculated annually by an independent actuary using the "projected unit credit" method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity which approximate the terms of the related retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income under, other reserves in equity during the period in which they arise.

Past-service costs are recognized immediately in profit or loss.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of PAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c) Other short-term benefits

Wages, salaries, paid annual vacation and sick leave credits and other non-monetary benefits are accrued during the period in which the related services are rendered by employees of the Group. Short-term employee benefit obligations are measured on an undiscounted basis.

Liabilities for employee benefits are derecognized when the obligation is settled, cancelled or has expired.

2.19 Equity

Common/ordinary shares, which are stated at par value, are classified as share capital under equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax. The excess of proceeds from issuance of shares over the par value of shares or additional paid in capital received from shareholders are credited to share premium.

Where the Group purchases its equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Group's shareholders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Group's shareholders.

Retained earnings include current and prior years' results of operation, net of transactions with shareholders and dividends declared, if any. Retained earnings may also include the effect of changes in accounting policy as may be required by the relevant standard's transitional provisions. Appropriated retained earnings are not available for dividend distribution unless the purpose of the appropriation has been served.

2.20 Dividend distribution

Dividend distribution to shareholders is recognized as a liability in the consolidated financial statements in the period in which the dividends are declared by the Board of Directors. Stock dividends are treated as transfer from retained earnings to share capital.

2.21 Foreign currency transactions and translation

(a) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which it operates (the 'functional currency'). The consolidated financial statements are presented in Philippine Peso, which is the Parent Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in profit or loss within 'finance cost/income'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income/expenses'.

2.22 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, when applicable.

The Group recognizes revenue when the amount of revenue can be reliably measured, it is possible that future economic benefits will flow into the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the customer, the type of transaction and the specifics of each arrangement.

Revenue is recognized as follows:

(a) Sale of precious metals

Sales of copper and zinc concentrates are recognized when (a) the products are passed on to the buyer at the ship's rail, and (b) collectability of the related receivables is reasonably assured. Sales of nickel ore are recognized when (a) the products are passed on to the buyer thru the delivery arrangement of the parties, and (b) collectability of the related receivables is reasonably assured. Revenues from concentrates/ore are recorded based on either provisional prices or fixed prices. The Group does not engage in forward selling or hedging of mineral production. Metal concentrates are sold under pricing arrangements where no less than 90% of the initial estimated value of the shipment is receivable when loading has been completed, based upon market prices.

The final payment for the remaining 10% is due once the final testing details relating to the weight, assays and prices are determined in a period subsequent to the date of sale. Variations from the initial estimate to the final testing are recorded as price adjustments in the period. As a result, the value of concentrate receivables may change as the underlying commodity market prices vary.

(b) Revenues from drilling services

Revenues from drilling services are recognized based on actual meters drilled and hourly works performed.

(c) Interest income

Interest income on bank deposits, temporary placements and due from related party which is presented net of applicable tax withheld (except for due from related party), is recognized on a time-proportion basis using the effective interest method.

(d) Other income

Other income is recognized when earned or realized.

2.23 Cost and expense recognition

Costs and expenses are charged to operations when incurred.

2.24 Leases - Group is lessee

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

2.25 Related party relationships and transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.26 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the Group will not fulfill an obligation.

The Group classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The appropriate level is determined on the basis of the lowest level input that is significant to the fair value measurement.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. Note that under PFRS 13, the use of bid and asking prices is still permitted but not required. These instruments are included in Level 1.

The fair value of assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the asset or liability is included in Level 2. If one or more of the significant inputs is not based on observable market data, the asset or liability is included in Level 3.

The Group uses valuation techniques that are appropriate in the circumstances and applies the technique consistently. Commonly used valuation techniques for non-financial assets are as follows:

- Market approach - A valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.
- Income approach - Valuation techniques that convert future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.
- Cost approach - A valuation technique that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

As at and for the periods ended June 30, 2015 and December 31, 2014, 2013 and 2012, other than the option to purchase contracts which is classified as financial assets at fair value through profit or loss (Note 24.5.b.iv) with fair value identified based on level 3, the Group does not hold other financial and non-financial assets and liabilities at fair value.

There were no transfers between levels in the fair value hierarchy for the six months ended June 30, 2015 and 2014, and for the years ended December 31, 2014, 2013 and 2012.

2.27 Investments in joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Parent Company has assessed the nature of its joint arrangements and determined them to be joint operations. The joint operator recognizes and measures the assets and liabilities (and recognize the related revenues and expenses) in relation to its interest in the arrangement in accordance with relevant PFRSs applicable to the particular assets, liabilities, revenues and expenses. The Parent Company entered into various agreements but has yet to provide the required initial investments [Notes 24.5(b)(i) and 24.5(b)(ii.)] and already discontinued the agreement in Note 24.5(b)(iii) due to lack of prospect. Investments in joint arrangements are derecognized upon disposal or loss of interest. As at and for the periods ended

June 30, 2015 and December 31, 2014, 2013 and 2012, there were no significant activities in relation to the Parent Company's joint arrangements.

The related policy on assessment of impairment of investments is disclosed in Note 2.12.

2.28 Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Parent Company by the weighted average number of common shares in issue during the year, excluding common shares purchased by the Parent Company and held as treasury shares.

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares. As at report date, the Parent Company has no dilutive potential common shares including convertible debt and share options.

2.29 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Management Committee that makes strategic decisions.

The accounting policies used to recognize and measure the segment's assets, liabilities and profit or loss is consistent with that of the financial statements.

The management considers all its operations under one reporting segment only. Hence, financial information relevant to segment reporting is similar to those shown in the consolidated financial statements.

2.30 Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

2.31 Events after reporting date

Post year-end events that provide additional information about the Group's position at the financial reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

Note 3 - Financial risk and capital management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow risk and fair value interest-rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Board of Directors has the overall responsibility for the establishment and oversight of the Groups' risk management framework.

(a) Market risk

(i) Foreign currency exchange risk

Foreign exchange risk arises from the change in foreign currency exchange rates to have an adverse effect on the Group. The Group is exposed to foreign currency risk arising from currency exposures, primarily with respect to U.S. Dollar, Australian Dollar and Canadian Dollar. Exposures to other currencies are not significant. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities. The Group minimizes risks by carefully planning the timing of settlement of foreign currency denominated balances.

Risk management is carried out by management by closely monitoring changes in foreign exchange rates by obtaining current forecast exchange movements from banks in a timely manner and as for other information such as inflation rates and interest rate differentials.

The Group assessed the impact of changes in Peso-U.S. Dollar, Peso-Canadian Dollar and Peso-Australian Dollar exchange rates as at and for the six months ended June 30, 2015 and 2014 and for the years ended December 31, 2014, 2013 and 2012 in demonstrating sensitivities to a possible reasonable change in Peso exchange rate.

At June 30, 2015, based on analysis performed using historical movements of the U.S. Dollar against the Philippine Peso, if the Peso had weakened/strengthened by 1.07% (June 30, 2014 - 1.26%, December 31, 2014 - 0.72%, December 31, 2013 - 8.19% and December 31, 2012 - 6.36%) against the U.S. Dollar with all other variables held constant, post-tax profit and equity for the year would have been P1.8 million (June 30, 2014 - P0.04 million, December 31, 2014 - P2.3 million, December 31, 2013 - P19.06 million and December 31, 2012 - P19.15 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of US Dollar denominated cash and cash equivalents, trade and royalty receivables and borrowings.

At June 30, 2015, based on analysis performed using historical movements of the Canadian Dollar against the Philippine Peso, if the Peso had weakened/strengthened by 5.00% (June 30, 2014 - 1.71%, December 31, 2014 - 7.96%, December 31, 2013 - 0.80% and December 31, 2012 -3.5%) against the Canadian Dollar with all other variables held constant, post-tax profit and equity for the year would have been P1.1 million (June 30, 2014 - P0.9 million, December 31, 2014 - P1.5 million, December 31, 2013 - P0.02 million and December 31, 2012 - P1.2 million) lower/higher, mainly as a result of foreign exchange gains/losses on translation of intercompany payable denominated in Canadian Dollar.

At June 30, 2015, based on analysis performed using historical movements of the Australian Dollar against the Philippine Peso, if the Peso had weakened/strengthened by 4.2% (June 30, 2014 - 4.5%, December 31, 2014 - 8.2%, December 31, 2013 - 7.5% and December 31, 2012 - 3.7%) against the Australian Dollar with all other variables held constant, post-tax profit and equity for the year would have been P8,020 (June 30, 2014 - P12,860, December 31, 2014 - P13,525, December 31, 2013 - P570 and December 31, 2012 - P9,627) higher/lower, mainly as a result of foreign exchange gains/losses on translation of US Dollar denominated cash and cash equivalents, trade and royalty receivables and borrowings.

(ii) Price risk

The Group is not exposed to equity securities price risk due to the absence of material equity investments. However, the Group may be exposed to commodity price risk from the production and sale of copper and zinc concentrates, and limonite and saprolite nickel which are sold at prevailing market prices. There are no forward sales contracts and the Group does not engage in price hedging activities.

As at June 30, 2015, based on analysis performed using the current market rates, if the copper price per pound increased/decreased by U.S. Dollar 0.25 per pound (June 30, 2014 - U.S. Dollar 0.5 per pound, December 31, 2014 - U.S. Dollar 0.47 per pound, December 31, 2013 - U.S. Dollar 0.24 per pound and December 31, 2012 - U.S. Dollar 0.16 per pound) with all variables held constant, post-tax profit for the year would have been P50.14 million (June 30, 2014 - nil, December 31, 2014 - P50.14 million, December 31, 2013 - P90.55 million and December 31, 2012 - P94 million) higher/lower, mainly as a result of changes in world market price.

As at June 30, 2015, based on analysis performed using the current market rates, if the limonite and saprolite nickel price per pound increased/decreased by U.S. Dollar 3 per pound (December 31, 2014 - U.S. Dollar 7 per pound) and 12 per pound (December 31, 2014 - U.S. Dollar 18 per pound), respectively, with all variables held constant, post-tax profit for the year would have been P78.42 million (December 31, 2014 - P77.27 million) and P71.47 million (December 31, 2014 - P88.57 million), respectively, higher/lower, mainly as a result of changes in world market price.

(iii) Cash flow and fair value interest risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. Management believes that the related cash flow risk on short-term placements is relatively low due to immaterial changes on interest rates within the duration of these financial instruments.

(b) Credit risk

Credit risk arises from deposits in banks as well as exposure on outstanding receivables from and advances to related parties. Cash transactions are limited to high-credit-quality financial institution. The Group maintains only its accounts from highly reputable banks which were duly approved by its Board of Directors (Note 21).

The Group's trade receivables are concentrated on three (3) customers under the off-take agreement (Note 24.4). Any material failure of the customer to fulfil its obligation under the agreement would significantly impair the ability of the Group to meet its existing and future obligations. As a result, payment of the Group's obligations depends upon the availability of sufficient revenue from the Group's business after the payment of operating expenses. However, based on past experiences, the three customers perform their obligation on time and have never defaulted in their payment. The Group is not significantly exposed to credit risk arising from receivables as at and for the six months ended

June 30, 2015 and for the years ended December 31, 2014, 2013 and 2012 as these receivables are highly collectible.

Outstanding trade receivables are considered current with no balances identified as past due or impaired.

The Group only deals with its related parties who have appropriate credit history and sufficient security to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparts. As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instrument is the carrying amount of that class of financial instruments presented in the consolidated statement of financial position.

The credit quality of advances to employees and other receivables (Note 6) that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates.

		December 31,		
	June 30, 2015	2014	2013	2012
Group 1	4,580	3,069	7,405	12,029
Group 2	27,435	21,854	3,168	16,457
	32,015	24,923	10,573	28,486

- Group 1 - advances to employees with no defaults in the past.
- Group 2 - other debtors with no defaults in the past.

As at June 30, 2015, December 31, 2014, 2013 and 2012, other receivables of P7,080 were impaired and fully provided for. The individually impaired receivable mainly relates to discontinued Power Substation in Canatuan (Note 6). All past due accounts are fully provided for.

The other classes within advances to employees and other receivables do not contain impaired assets and are all current in age.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of non-interest bearing advances to employees and other receivables above. The Group does not hold any collateral as security.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the management aims to maintain flexibility in funding by keeping committed credit lines.

The management monitors its liquidity reserve through its cash position reports, which are prepared on daily and weekly basis. Cash flow forecasting is performed in by the Finance and Accounting unit of the Group. This unit monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (Note 16) at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements - for example, currency restrictions.

Surplus cash held by the Group over and above balance required for working capital management are invested in interest-bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

As at June 30, 2015, the Group has working capital surplus of P540.1 million (December 31, 2014 - P611.8 million; December 31, 2013 - P244.3 million and December 31, 2012 - P317.5 million).

The table below analyzes the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is considered not significant.

	Less than 1 year				Between 1 and 5 years			
	June 30,	December 31,			June 30,	December 31,		
	2015	2014	2013	2012	2015	2014	2013	2012
Trade payables	81,074	31,776	119,016	142,200	-	4,858	-	4,086
Due to related parties	6,721	828	16,189	209	-	-	-	289,088
Accrued expenses and other liabilities	141,984	184,458	97,077	89,510	-	1,524	-	3,235
Borrowings*	145,702	119,253	-	410,500	240,809	250,432	-	-
	375,481	336,315	232,282	642,419	240,809	256,814	-	296,409

*includes future interest payment

Accrued expenses and other liabilities exclude payable to government agencies and customer deposits. Amounts aged between 1 and 5 years are payable on demand and are presented as current liabilities.

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

Total capital is calculated as 'equity' as shown in the consolidated statement of financial position, except impact of other comprehensive loss/other reserves. The Group is not subject to externally imposed capital requirements.

During 2015, the Group achieved good financial ratios such as working capital and gearing ratio and thus there is no immediate need to secure access to financing.

Note 4 - Critical accounting estimates, assumptions and judgments

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates, assumptions and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4.1 Critical accounting estimates and assumptions

(a) Retirement benefit obligation

The present value of the retirement benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of retirement benefit obligation.

The determination of the Group's retirement benefit obligation is dependent on selection of certain assumptions used by actuaries in calculating such amounts.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefit obligation. In determining the appropriate discount rate, the Group considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related retirement benefit obligation.

Other key assumptions for retirement benefit obligation are based in part on current market conditions. Additional information and the sensitivity analysis of changes in assumptions are disclosed in Note 18.

(b) Reserve estimates used to measure amortization of non-financial assets

The recorded amortization expense of mining claims and deferred exploration costs is based on units-of-productions method. The estimate that most significantly affects the measurement of amortization is the quantity of proven and probable mineral reserves, which is used in the computation of amortization expense based on the units-of-production method.

Mineral reserves are estimates, thus, there is a risk that actual metals production could differ from expected metals production from reserves. Factors that could cause actual metals production to differ include adverse changes in metal prices, which could make the reserves uneconomic to mine; and variations in actual ore grade and metal recovery rates from estimates (Note 11).

The estimation of quantities of mineral reserves is complex, requiring significant subjective assumptions that arise from the evaluation of geological, geophysical, engineering and economic data for a given ore body. This economic data could change over time as a result of numerous factors, including new information gained from development activities, evolving production history and a reassessment of the viability of production under different economic conditions. Accordingly, determination of impact of sensitivity analysis is assessed to be impracticable. Changes in data and/or assumptions could cause reserve estimates to substantially change from period to period.

(c) Estimated liability for restoration costs

Estimated liability for restoration costs arise from the acquisition, development, construction and normal operation of mining property, plant and equipment, due to government controls and regulations that protect the environment on the closure and reclamation of mining properties.

(c) Impairment of receivables

Allowance for impairment of receivables is maintained at a level considered adequate to provide for potentially uncollectible receivables. The level of allowance is based on past collection experience and other factors that may affect collectability. An evaluation of the receivables, designed to identify potential changes to the allowance is performed on a continuous basis throughout the year. Management evaluates specific accounts of debtors who are unable to meet their financial obligations. In these cases, management uses judgment based on the best available facts and circumstances, including but not limited to, the length of relationship with the debtors and the debtors' payment history. The amount and timing or recorded expenses for any period would therefore differ based on the judgments or estimates made.

As at and for the periods ended June 30, 2015 and December 31, 2014, 2013 and 2012, the Group has receivables from debtors (other receivables) amounting to P7.08 million which is considered as past due and impaired (Note 6). Management continues to exert effort to recover these receivables considering the amounts subsequently collected and ongoing discussions with the debtors.

(d) Provision for inventory losses

The Group recognizes a provision for inventory losses whenever the net realizable value of the inventories becomes lower than cost due to damage, physical deterioration, technological and commercial obsolescence, changes in commodity prices for its raw materials, and other causes.

The provision account, if any, is reviewed on a quarterly basis to reflect the accurate valuation of the Group's inventories. Inventory items identified to be obsolete and unusable is written-off and charged as expense for the period. Results of management's assessment disclosed the required provision for obsolescence of inventories as at June 30, 2015 and December 31, 2014 amounting to P17.4 million (December 31, 2013 - P22.3 million; December 31, 2012 - P17.5 million) (Note 8).

(e) Taxes

A certain degree of judgment is required in determining the provision for income taxes, as there are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognizes liabilities for tax audit issues when it is probable. The liabilities are based on estimates whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Further, recognition of deferred income tax assets depends on management's assessment of the probability of available future taxable income against which the temporary differences can be applied.

The Group reviews its assessment if they will recognize deferred tax assets at each reporting date. As at reporting date, no deferred income tax assets were recognized for temporary differences as management assessed that the realization of the related tax benefits through future taxable income are not highly probable.

The Group recognizes provision for impairment of input value added tax (VAT) based on the Group's assessment of collection or recoverability through creditable tax certificates from the government. This assessment requires judgment regarding the ability of the government to settle or approve the application for creditable tax certificates to the Group.

The Group's input value added taxes are disclosed in Note 9 and income taxes are disclosed in Note 17.

(f) Fair value of option to purchase contracts

Option to purchase contracts classified as financial assets at fair value through profit or loss are unquoted equity instruments and with no ready information on current market expectations thus cannot be measured reliably. Fair value approximates carrying cost because there is no operations that would affect initial fair value determined. The Group's judgment is that level 3 fair value hierarchy is appropriate using the cost approach. The risk of potential loss is equal to the carrying cost as at and for the six months ended June 30, 2015 and 2014 and for the years ended December 31, 2014, 2013 and 2012 if the Group fails to meet the conditions on the arrangements. Additional information are disclosed in Notes 12 and 24.5.b.iv.

(g) Identifying classification of joint arrangements

The Parent Company has assessed the nature of its joint arrangements and determined them to be joint operations, since it does not just expect to recognize only its share of results but it also expects to significantly participate in operations and financial decisions of the operations. The Parent Company entered into various agreements but has yet to provide the required initial investments [Notes 24.5(b)(i) and 24.5(b)(ii.)] and already discontinued the agreement in Note 24.5(b)(iii) due to lack of prospects. As at and for the periods ended June 30, 2015 and 2014 and December 31, 2014, 2013 and 2012, there were no significant activities in relation to the Parent Company's joint arrangements. The Parent Company's adoption of PFRS 11 in 2012, did not result to a restatement of its separate financial statements as a result of the inactivity of the arrangements and lack of initial contribution of parties.

(h) Functional currency

The Board of Directors considers the Philippine Peso as the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The Philippine Peso is the currency of the primary economic environment in which the Group operates. It is the currency in which the Group measures its performance and reports its results.

Note 5 - Cash and cash equivalents

Cash and cash equivalents consist of:

		December 31,		
	June 30, 2015	2014	2013	2012
Cash in banks	102,163	122,332	257,314	561,838
Short-term placements	121,452	376,700	1,052	5,157
Cash on hand	1,252	1,115	562	1,505
	224,867	500,147	258,928	568,500

Cash in banks and short-term placements earn interest at the prevailing bank deposit rates. Interest income earned as at June 30, 2015 amounted to P2,124 (June 30, 2014 - P749; December 31, 2014 - P2,681; December 31, 2013 - P2,371; December 31, 2012 - P3,241).

Cash and cash equivalents are denominated in the following currencies:

		December 31,		
	June 30, 2015	2014	2013	2012
Philippine Peso	159,077	423,832	64,436	123,982
U.S. Dollar	65,790	76,315	194,492	444,518
	224,867	500,147	258,928	568,500

Note 6 - Receivables, net

Receivables consist of:

			December 31,		
	Note	June 30, 2015	2014	2013	2012
Trade		389,526	264,996	50,888	78,796
Advances to employees		4,580	3,069	7,405	12,029
Loan receivable		20,266	19,198	-	-
Royalty receivable	24.3	21,719	-	-	137,477
Advances to suppliers		42,002	26,141	1,689	18,868
Tax credit		11,399	5,007	30	-
Others		14,248	9,736	10,248	23,536
		503,740	328,147	70,260	270,706
Less provision for impairment		(7,080)	(7,080)	(7,080)	(7,080)
		496,660	321,067	63,180	263,626

The Group's trade receivables as at June 30, 2015 and December 31, 2014, 2013 and 2012 are aged as 0 to 30 days.

The carrying amounts of these receivables as at June 30, 2015 and December 31, 2014, 2013 and 2012 approximate their fair values due to their short-term maturity.

Of the trade receivables, the amount of P389.5 million and P254.0 million relates to the nickel ore off-take agreement for sale of nickel ore entered into by AMVI with Tewoo Hoperay (Singapore) Pte. Ltd. and Hongkong Yinyi Mineral Investment Limited (Yinyi) as at June 30, 2015 and December 2014, respectively (Note 24.4).

Loan receivable pertains to an omnibus loan and security agreement, dated December 12, 2014, with a third party amounting to CAD500,000. The loan earns 8% interest annually. Collateral of the said loan pertains to all of the issued and outstanding shares in the capital of MRL Nickel held by Mindoro Resources Ltd. The principal amount and accrued interest was due on July 24, 2015. Interest earned as at June 30, 2015 related to this loan amounted to P798.

The provision for impairment pertains to receivables from a supplier (included in others) for the discontinued Power Sub-Station in Canatuan amounting to P7.08 million. There were no movements in the provision in all periods presented.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	June 30, 2015	December 31, 2014	2013	2012
Philippine Peso	61,624	301,869	23,845	34,678
U.S. Dollar	413,971	19,198	39,335	228,222
Canadian Dollar	21,065	-	-	726
	496,660	321,067	63,180	263,626

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. The Company does not hold any collateral as security for these non-interest bearing receivables except for the loan receivables, which is subject to interest.

Note 7 - Related party transactions

In the normal course of business, the Group transacts with entities which are considered related parties under PAS 24, "Related Party Disclosures". The Group's significant balances and transactions as at and for the periods ended June 30, 2015 and December 31, 2014, 2013 and 2012 are as follows:

	Outstanding balances				
	June 30,	December 31,			
	2015	2014	2013	2012	Terms and conditions
Due from related parties					
Entities under common shareholders					
TVI Pacific, Inc. (a)	163	193	-	28,190	These are collectible in cash, interest bearing, unsecured and due on demand. No impairment was recognized as at reporting date.
TVI Minerals Processing, Inc.	174	165	137	72,584	
TG World Energy Corporation	-	-	-	36	
TVI International Marketing Limited	-	-	-	10,542	
TVI Limited	-	-	-	9	
	337	358	137	111,361	
Due to related parties					
Entities under common shareholders					These are payables in cash, non-interest bearing, unsecured and due on demand.
TVI Pacific, Inc.	(285)	(331)	(15,716)	(245,724)	
TVI Minerals Processing, Inc.	(497)	(497)	(473)	(43,573)	
Agata Processing, Inc.	(2)	-	-	-	
Pan de Azucar Mining Ventures, Inc.	(5,937)	-	-	-	
	(6,721)	(828)	(16,189)	(289,297)	

Outstanding receivables from key management personnel as at and for the periods ended June 30, 2015 and December 31, 2014, 2013 and 2012 amounted to P1,489, P728, P676 and P1,852 respectively. These are unsecured, non-interest bearing and are due on demand.

All of the above-mentioned companies were incorporated in the Philippines except for TVI Pacific, Inc., and TG World Energy Corporation whose place of incorporation is in Canada and TVI International Marketing Limited which is incorporated in Hong Kong.

There are no provisions recognized for the amounts due from related parties during the year. The carrying amount of due from and due to related parties approximates their fair values as they are due and payable on demand.

The Group enters into a number of transactions with related parties. These transactions are negotiated on terms consistent with those that would have been negotiated with non-related entities.

	Transactions				
	June 30,	December 31,			
	2015	2014	2013	2012	Terms and conditions
Recharge of expense					
Entities under common shareholders					(a)
TVI Pacific, Inc.	29	2,131	114,683	9,171	Refer to terms and conditions
TVI Minerals Processing, Inc.	9	28	25,14	1,623	presented in table of outstanding
TG World Energy Corp	-	-	1	37	balances due from / to related
TVI Limited	-	-	-	9	parties.
Total Corporate Network Inc.	-	-	9	52	
Collection of advances					
Common shareholder					(a)
TVI International Marketing Limited	-	-	207	-	Refer to terms and conditions presented in table of outstanding
Entity under common shareholders					balances due from / to related
TVI Pacific, Inc.	-	-	153,898	783,495	parties.
TG World Energy Corp	-	-	37	1,631	
TVI Minerals Processing, Inc.	-	-	97,725	-	
Interest on advances to related parties					
Entity under common shareholders					
TVI Pacific, Inc.	-	-	4,299	33,287	(a)
Compensation of key management personnel					
Short-term					
Salaries and short-term benefits	21,590	40,698	75,992	114,565	Refer to Note 18 - Retirement benefits
Long-term					
Retirement benefits	5,706	10,900	8,440	10,257	
Others					
Retirement fund contributions	500	-	1,500	54,885	

The Parent Company is a party to significant agreements with its related parties.

(a) On December 31, 2010, the Board of Directors authorized the Parent Company to advance US$2.8 million to TVI Pacific, Inc. for its operations and certain investments. The said advance bears an interest of 5% p.a. or 2% spread over the borrowing cost of the Parent Company, whichever is higher. On the same date, the Parent Company also made written arrangements with TVI Pacific, Inc. that starting January 1, 2010, all other outstanding advances to TVI Pacific, Inc. shall bear also the same interest which is payable on demand.

(b) The Parent Company has an existing service agreement with Exploration Drilling Corporation (EDCO) for a period of one year and renewable subject to mutual agreement by both parties. Under the terms of agreement, EDCO will provide drilling activities for the Parent Company's exploration projects in accordance with the technical description agreed by the parties.

The following are the balances and transactions between group companies which are eliminated in preparing the consolidated financial statements as at and for the periods ended June 30, 2015 and December 31, 2014, 2013 and 2012:

	2015	2014	2013	2012
Due from related parties				
TVI Resource Development Phils., Inc. (TVIRD)	19,687	-	-	8,496
Agata Mining Ventures, Inc. (AMVI)	-	40	-	-
Alberta Resource Development Corporation (ARDC)	-	-	3,092	3,085
Canatuan Mines, Inc. (CMI)	81	-	7,691	7,747
Exploration Drilling Corporation (EDCO)	248,393	257,301	257,292	12,163
Pico Minerals Corp. (PMC)	65	32	-	-
Silurian Mines, Inc. (SMI)	9,500	58	-	9,409
TVI Agriproducts, Inc. (TAI)	218	67	44	-
Due to related parties				
TVI Resource Development Phils., Inc. (TVIRD)	(248,767)	(257,361)	-	(14,327)
Exploration Drilling Corporation (EDCO)	(9,409)	(257,361)	(257,993)	(9,490)
Alberta Resource Development Corporation (ARDC)	(8,398)	(8,417)	-	-
Canatuan Mines, Inc. (CMI)	(3,214)	(3,166)	-	-
CAL Mining Ventures, Inc. (CMVI)	(2,056)	(2,093)	(2,120)	(2,146)
Paramount Copper-Gold Corporation (PCGC)	(2,016)	(2,054)	(2,092)	(2,130)
Lake Bonavista Mineral Corporation (LBMC)	(2,084)	(2,120)	(2,160)	(2,198)
Goldcrest Asia Mining Ventures, Inc. (GAMVI)	(2,000)	(2,037)	(2,075)	(2,113)
Trade receivables				
Agata Mining Ventures, Inc. (AMVI)	68,815	108,295	-	-
Non-Trade				
Agata Mining Ventures, Inc. (AMVI)	10,992	16,675	-	-
Recharge of expenses to				
Agata Mining Ventures, Inc. (AMVI)	-	40	-	-
Alberta Resource Development Corporation (ARDC)	18	-	7	10,041
CAL Mining Ventures, Inc. (CMVI)	37	38	16	35
Canatuan Mines, Inc. (CMI)	32	-	24	35
Exploration Drilling Corporation (EDCO)	-	-	246,456	493
Paramount Copper-Gold Corporation (PCGC)	38	38	38	35
Goldcrest Asia Mining Ventures, Inc. (GAMVI)	37	38	38	35
Lake Bonavista Mineral Corporation (LBMC)	37	39	38	33
Pico Minerals Corp. (PMC)	33	33	-	41
Silurian Mines, Inc. (SMI)	33	58	-	41
TVI Agriproducts, Inc. (TAI)	151	22	44	-
Recharge of expenses from				
Alberta Resource Development Corporation (ARDC)	-	11,509	-	10,000
Canatuan Mines, Inc. (CMI)	-	10,856	-	-
Technical service fee				
Agata Mining Ventures, Inc. (AMVI)	120,388	101,982	-	-
Sales of assets and scrap materials				
Agata Mining Ventures, Inc. (AMVI)	-	17,405	-	-
Drilling services				
Exploration Drilling Corporation (EDCO)	59,068	26,167	18,471	40,050

Note 8 - Inventories, net

Inventories consist of:

	June 30, 2015	December 31, 2014	2013	2012
At cost				
Mine and mill materials and supplies	106,779	108,232	124,962	171,675
Stockpiled ore inventory	5,344	25,567	1,774	13,293
Spare and replacement parts	16,915	14,229	16,187	17,822
Diamond drill bits	9,867	12,120	11,080	11,738
Down hole products	8,271	8,129	9,474	11,135
Mud, additives and lubricants	4,337	7,235	7,284	7,984
Copper concentrates	-	-	211,552	110,706
Zinc concentrates	-	-	39,282	3,178
Others	285	372	398	1,367
	151,798	175,884	421,993	348,898
Less: provision for obsolescence	(17,412)	(17,412)	(22,328)	(17,534)
	134,386	158,472	399,665	331,364

The cost of inventories recognized under cost of sales for the six months ended June 30, 2015 amounted to P24,679 (June 30, 2014 - P280,599; December 31, 2014 - P315,301; December 31, 2013 - P706,248; December 31, 2012 - P877,416) (Notes 22 and 23). As mentioned in Note 1.2, the milling operation in Canatuan ended after having exhausted its remaining stockpile. The Parent Company is again in exploration stage for its remaining arrangement.

Details of provision for inventory obsolescence relating to mine and mill materials and supplies are as follows:

	Note	June 30, 2015	December 31, 2014	2013	2012
Beginning balance		17,412	22,328	17,534	7,322
Provision (Reversal)	23	-	(4,916)	4,794	10,212
End balance		17,412	17,412	22,328	17,534

Note 9 - Prepayments and other current assets, net

Prepayments and other current assets consist of:

	June 30, 2015	December 31, 2014	2013	2012
Input value-added tax (VAT), net of output VAT	205,947	156,127	125,198	103,170
Prepaid expenses	14,090	15,167	25,538	30,285
Prepaid taxes	-	2,489	-	1,106
Others	-	-	2,007	-
	220,037	173,783	152,743	134,561
Less provision for impairment	-	-	(125,198)	(103,170)
	220,037	173,783	27,545	31,391

Prepaid expenses include insurance and rental deposits.

Details of provision for impairment of Input VAT are as follows:

	Notes	June 30, 2015	December 31, 2014	2013	2012
Beginning balance		-	125,198	103,170	116,783
(Reversal of) Provision for Input VAT recognized during the year	22, 23	-	(109,098)	24,783	-
Reversal of provision due to application against Output VAT	23	-	(16,100)	(2,755)	(13,613)
End balance		-	-	125,198	103,170

The provision for impairment of input tax applied against output tax from 2012 to 2014 were reversed and charged as other income. The circumstance that led to the reversal of the provision for impairment of input VAT was due to the incidental application of input VAT against output VAT.

Note 10 - Property and equipment, net

A reconciliation of the carrying amounts at the beginning and ending and the gross carrying amounts and the accumulated depreciation and amortization of property and equipment are shown below:

	Transportation and heavy equipment	Communication and other equipment	Field, drilling, surveying and geological equipment	Computer, office furniture and security equipment	Plant, buildings and leasehold improvements	Land	Construction in progress	Total
Cost								
Opening net amount at January 1, 2012	45,602	1,993	109,228	40,277	965,223	-	769,176	1,931,499
Additions	4,289	76	5,400	2,114	7,073	-	272,375	291,327
Disposal (Cost)	(1,293)	-	(12,650)	(40)	-	-	-	(13,983)
Reclassifications (Cost)	-	-	-	-	53,310	-	(66,184)	(12,874)
Closing net amount at December 31, 2012	48,598	2,069	101,978	42,351	1,025,606	-	975,367	2,195,969
Additions	6,800		6,485	1,943	1,649	-	21,681	38,558
Disposal (Cost)	(956)	-	(9,496)	(1,084)	(716)	-	-	(12,252)
Reclassifications (Cost)	-	-	-	-	25,875	-	(26,764)	(889)
Closing net amount at December 31, 2013	54,442	2,069	98,967	43,210	1,052,414	-	970,284	2,221,386
New subsidiaries	901	-	167	2,038		22,762	22,288	48,156
Additions	2,687	-	911	5,611	54,204	160	80,516	144,089
Disposal (Cost)	(818)	-	(34)	(264)	(64,700)	-	-	(65,816)
Reclassifications (Cost)	-	-	-	-	22,288	-	(22,288)	-
Closing net amount at December 31, 2014	57,212	2,069	100,011	50,595	1,064,206	22,922	1,050,800	2,347,815
Additions	18,009	-	5,336	4,897	203,409	7,878	36,302	275,831
Disposal (Cost)	-	-	-	(38)	-	-	(2,343)	(2,381)
Reclassifications (Cost)	1,443	-	-	3,042	46,071	-	(50,556)	-
Closing net amount at June 30, 2015	76,664	2,069	105,347	58,496	1,313,686	30,800	1,034,203	2,621,265
Accumulated depreciation								
Opening net amount at January 1, 2012	(23,604)	(1,509)	(58,726)	(34,930)	(619,012)	-	(514,506)	(1,252,287)
Depreciation and amortization	(12,725)	(259)	(23,438)	(4,024)	(148,662)	-	(195,993)	(385,101)
Disposal	1,293	-	12,650	20	-	-	-	13,963
Closing net amount at December 31, 2012	(35,036)	(1,768)	(69,514)	(38,934)	(767,674)	-	(710,499)	(1,623,425)
Depreciation and amortization	(9,871)	(194)	(16,771)	(3,042)	(112,114)	-	(139,287)	(281,279)
Disposal	956	-	8,602	1,084	716	-	-	11,358
Closing net amount at December 31, 2013	(43,951)	(1,962)	(77,683)	(40,892)	(879,072)	-	(849,786)	(1,893,346)
Depreciation and amortization	(6,612)	(91)	(9,534)	(1,971)	(31,843)	-	(2,192)	(52,243)
Disposal	818	-	-	260	55,015	-	-	56,093
Purchase of subsidiary	(271)	-	(95)	(1,235)	-	-	-	(1,601)
Closing net amount at December 31, 2014	(50,016)	(2,053)	(87,312)	(43,838)	(855,900)	-	(851,978)	(1,891,097)
Depreciation and amortization	(3,964)	(13)	(4,384)	(2,415)	(29,458)	-	-	(40,234)
Disposal	-	-	-	35	-	-	-	35
Closing net amount at June 30, 2015	(53,980)	(2,066)	(91,696)	(46,218)	(885,358)	-	(851,978)	(1,931,296)
Net book value at December 31, 2012	13,562	301	32,464	3,417	257,932	-	264,868	572,544
Net book value at December 31, 2013	10,491	107	21,284	2,318	173,342	-	120,498	328,040
Net book value at December 31, 2014	7,196	16	12,699	6,757	208,306	22,922	198,822	456,718
Net book value at June 30, 2015	22,684	3	13,651	12,278	428,328	30,800	182,225	689,969

As at December 31, 2014, significant fixed assets write-off pertains to the demolition of several plant, buildings and leasehold improvements in the Parent Company's Canatuan site that are no longer useful in future mine operations.

As at June 30, 2015, the fully depreciated assets that are still being used amounted to P247.81 million (December 31, 2014 - P369.87 million; December 31, 2013 - P212.39 million; December 31, 2012 - P135.11 million).

Depreciation expense that was attributed to the assets used in the mine productions for the six months ended June 30, 2015 amounted to P22,860 (June 30, 2014 - P12,559; December 31, 2014 - P14,139; December 31, 2013 - P233,067; December 31, 2012 - P355,239), while depreciation expense for other assets including idle assets (Note 13) for the period ended June 30, 2015 amounted to P21,520 (June 30, 2014 - P17,509; December 31, 2014 - P38,895; December 31, 2013 - P22,482; December 31, 2012 - P23,937) (Notes 22 and 23). Moreover, depreciation expense capitalized in 2013 amounted to P1,375) (Note 11).

Estimated asset restoration costs are recognized as part of plant, buildings and leasehold improvements. Amortization during the year amounted to P12,202 (2014-P1,044; 2013 - P7,203; 2012 - P12,037) (Note 22).

Note 11 - Mining claims and deferred exploration costs, net

Mining claims and deferred exploration costs are intangible assets which include all expenditures directly related to the acquisition, exploration and administration of the Agata DSO, Canatuan Sulphide and Balabag Gold Projects (Note 1.2).

The carrying amount of mining claims and deferred exploration costs and the related movements consist of:

			December 31,		
	Notes	June 30, 2015	2014	2013	2012
Beginning balance		667,115	496,478	406,747	348,142
Additions					
Balabag		21,958	53,166	147,738	155,555
Agata		-	119,600	-	-
Amortization					
Canatuan	22	-	(911)	(58,007)	(96,950)
Agata	22	(11,483)	(1,218)	-	-
Ending balance	1.2	677,590	667,115	496,478	406,747

As at June 30, 2015, remaining ore reserve of Canatuan Project has been exhausted.

The development-stage Balabag epithermal gold and silver property is a high priority project. The property covers an area of approximately 52 square kilometers (20 square miles) and is situated approximately 75 kilometers (47 miles) east-northeast of the Canatuan mine.

Note 12 - Option to purchase contracts

In connection with the agreements described in Note 23.5.b.iv, the Parent Company's option to purchase contracts balance consist of the following:

		December 31,		
	June 30, 2015	2014	2013	2012
Agata Processing, Inc	226,486	212,689	129,849	20,835
Agata Mining Ventures, Inc. (Notes 1.2, 2.2 and 24.5)	-	-	113,922	17,053
Pan de Azucar Mining Ventures, Inc	12,603	13,203	13,203	8,827
Pan de Azucar Processing, Inc	11,761	12,790	12,790	8,415
	250,850	238,682	269,764	55,130

The reconciliation from opening to the closing balances of the above recurring fair value measurements using significant unobservable inputs and categorized within level 3 (Note 4.2.f) is as follows:

		December 31,		
	June 30, 2015	2014	2013	2012
Beginning balance	238,682	269,764	55,130	-
Additions and purchases	12,168	170,503	214,634	55,130
Transfer to investment in subsidiary (Note 2)	-	(201,585)	-	-
Ending balance	250,850	238,682	269,764	55,130

Note 13 - Other non-current assets, net

The account includes the following:

			December 31,		
	Note	June 30, 2015	2014	2013	2012
Idle assets					
Opening balance		-	-	9,655	9,655
Depreciation for the year	10	-	-	(9,655)	-
		-	-	-	9,655
Mine Rehabilitation Funds		121,420	120,919	120,171	118,608
Comprehensive Environmental Monitoring Fund		106	106	106	106
Canada Goodwill Fund		40	40	40	40
Others		13,093	13,096	10,628	3,066
End of period		134,659	134,161	130,945	131,475

Mine rehabilitation funds are restricted funds deposited in Land Bank of the Philippines. These trust funds provide for the estimated cost of rehabilitation after the end of the life of the Canatuan Mine. These funds are restricted and may only be used to fund the approved rehabilitation costs.

The idle assets are mostly comprised of several equipments used in Gossan Project which ended in April 2008. These equipments can be used in the Balabag Project (Notes 1, 11 and 24.3) where the operation is similar with the Gossan Project.

Note 14 - Accrued expenses and other liabilities

Accrued expenses and other liabilities consist of:

	Note	June 30, 2015	December 31, 2014	2013	2012
Accrued expenses		131,994	177,505	72,853	69,148
Customer deposits		94,426	107,946	224,093	1,703
Payable to government agencies		12,323	14,382	4,143	15,282
Accrued salaries and wages		2,003	3,511	8,180	9,420
Accrued employee benefits		-	564	2,279	1,592
Accrued royalties	24.3	7	7	9,678	11,890
Dividend payable		-	-	4,087	-
Other liabilities		7,980	4,395	-	695
		248,733	308,310	325,313	109,730

Customer deposits mostly pertain to advance payments from Tewoo and from MRI Trading AG (Note 24.4) as required by the off-take agreements.

Accrued expenses pertain mainly to accruals for expenses incurred for supplies and other recurring costs for the Group's operations such as professional fees and contracted services.

Note 15 - Estimated liability for restoration costs

This account pertains to the Parent Company's estimated final reclamation costs for the mine site areas including the tailings storage facility to cover final re-sloping of dumps, pit walls, demolition and reclamation and re-vegetation of roads and site facilities as determined by an in-house expert.

The movements of the estimated liability for restoration costs are as follows:

	Notes	June 30, 2015	December 31, 2014	2013	2012
Liability at beginning of year		96,156	112,699	139,334	147,809
Accretion and restoration expense	22, 23	3,540	2,181	2,787	35,119
Additions		141,582	-	-	-
Restoration costs incurred during the year		(23,049)	(18,724)	(29,422)	(43,594)
Liability at end of year		218,229	96,156	112,699	139,334

In accordance with PAS 37: Provisions, Contingent Liabilities and Contingent Assets, the Parent Company recognizes its estimated liability for its restoration activities. PAS 37 requires that closure and environmental costs are provided for in the accounting period when the obligation arising from the related disturbance occurs. These costs are based on the present value of the estimated future costs to rehabilitate/restore the damage caused to date.

The Parent Company recognized the environmental obligations for its Gossan, Sulphide and Agata Projects. Details of the Parent Company's estimated liability for restoration costs are as follow:

	June 30, 2015	December 31, 2014	2013	2012
Gossan project	23,692	31,759	37,885	52,290
Sulphide project	49,415	64,397	74,814	87,044
Agata project	145,122	-	-	-
	218,229	96,156	112,699	139,334
Less: current portion	(53,929)	(76,977)	(43,224)	(32,496)
Non-current portion	164,300	19,179	69,475	106,838

As at June 30, 2015, the Parent Company's expected undiscounted outflow in 2015 amounts to P54.0 million and expected outflow from 2016 to 2018 amounts to P17.7 million.

Note 16 - Borrowings

On May 14, 2013, the Parent Company obtained a short-term loan amounting to P154 million (US$3.75 million) which bears an annual interest of 2% per annum. This loan was fully paid on November 18, 2013.

On May 15, 2012 and June 22, 2012, the Parent Company obtained short-term loans amounting to P128 million (US$3 million) and P85 million (US$2 million), respectively. Both loans bear 2% interest payable in 180 days. These bank loans were settled on July 22, 2013.

In January 2011, the Parent Company drew down P443 million ($10 million) loan from another local bank bearing interest of 1.80% payable in 8 installments for a period of 2 years. The proceeds of this loan will be used for additional working capital requirements as exhibited in the loan agreement. The loan agreement provides certain conditions which include, among others, restriction on dividends, and changes in ownership and operations. On April 25, 2011, the Parent Company made its first quarterly principal payment for this loan amounting to US$1.25 million. The outstanding loan balance amounted to P51 million (US$1.25 million) as at December 31, 2012 was fully paid on January 2013. These bank loans are secured by the MRI off-take agreement (Note 24.4).

On January 1, 2015, the Parent Company entered into a four-year car loan agreement with a bank for a principal amount of P2.32 million. The maximum amount was drawn as at December 31, 2014 with fixed interest rate of 8.18% per annum.

The principal and interest amount is payable in forty-eight (48) monthly amortization commencing on the drawdown date until maturity of the loan. Principal monthly payment of will start on January 23, 2015.

On February 28, 2015, the Parent Company entered into another four-year car loan agreement with the same bank for a maximum principal amount of P2.37 million. The maximum amount was drawn as at December 31, 2014 with fixed interest rate of 9.13% per annum.

The principal and interest amount is payable in forty-eight (48) monthly amortization commencing on the drawdown date until maturity of the loan. Monthly payment will start on January 13, 2015.

As at June 30, 2015, the Parent Company's loans payable amounted to P4,274 (current - P1,062; non-current - P3,212). Interest expense incurred and paid as of June 30, 2015 related to this loan amounted to P161. No interest was capitalized as part of the cost of these assets.

On December 10, 2014, AMVI entered into a three-year loan agreement with China Banking Corporation (CBC) for a maximum principal amount of US$8 million. The loan was obtained to partially finance AMVI's mining operations. The maximum amount was drawn as at December 31, 2014 with fixed interest rate of 5% per annum.

The principal amount is payable in ten (10) quarterly amortization while interest payments are due on a quarterly basis commencing on the drawdown date until maturity. Principal quarterly payment of US$800,000 will start on September 18, 2015.

As at June 30, 2015 and December 31, 2014, loans payable amounted to P361,600 (current - P144,640; non-current - P216,960,), and P357,760 (current - P119,253; non-current - P238,507), respectively. Interest expense incurred and paid as of June 30, 2015 and December 31, 2014 related to this loan amounted to P8,979 and P578, respectively.

The loan, interest, penalties and other charges, including any renewal, extension, amendment, or novation, and all advances for the taxes, fees, insurance premiums and expenses made by CBC are secured by the following:

- Suretyship to be executed by the AMVI as principal with Prime Asset Ventures, Inc.;
- Pledge agreement covering the AMVI shares held by TVIRD;
- Assignment of the AMVI's rights on the Operating Agreement between the AMVI and Minimax dated June 20, 2014;
- Assignment of the AMVI's rights on the receivables in the Off-take Agreement of Limonite Nickel Ore (Note 6); and
- Assignment of the AMVI's rights in the Contract for Services dated May 29, 2014.

No item of property and equipment was used as collateral to the facility agreement entered into by the Group in 2014 (Note 10). The above borrowings were obtained to augment working capital requirement.

As long as the loan remains unpaid, AMVI shall not, without prior written consent from CBC:

- Make or permit any material change in the character of its business from that it carried on the date of loan or engage in any business operation or activity which would cause a material adverse change in the financial ability or capacity of AMVI to perform its obligations under the loan agreement;
- Permit any material change in the ownership or control of its capital stock;
- Participate in or enter into any merger or consolidation which would result in a material change in the control of AMVI;
- Voluntarily suspend its business operations or dissolve its affairs;
- Amend its articles of incorporation or by-laws which would cause a material adverse change in the financial ability or capacity of AMVI to perform its obligations under the loan agreement, or affect the monitoring of the loan by CBC; and
- Reorganize, undertake a quasi-reorganization, reduce its capital, or change its fiscal year, which would cause a material adverse change in the financial ability or capacity of AMVI to perform its obligation under the loan agreement.

Details of the financing costs are as follows:

	For the six months ended June 30,		For the years ended December 31,		
	2015	2014	2014	2013	2012
Interest expense, net of reversal	9,140	578	1,156	5,507	11,177
Other financing costs	-	-	-	478	-
Ending balance	9,140	578	1,156	5,985	11,177

Note 17 - Income taxes

17.1 Income tax holiday

The Parent Company is registered with the Board of Investments (BOI) as New Producer of Copper Concentrates with Gold, Silver and Zinc Values on a Non-Pioneer basis for its Sulphide Project. Under the provisions of the tax regime that will apply to the Parent Company as a New Export Producer, the following tax incentives were granted:

- Income tax holiday (ITH) for six years from the date of registration (September 2008) with the Board of Investments.

- Extension of three years to the income tax holiday provided the Parent Company meets certain conditions for it to qualify:

  (1) Maintaining a certain ratio of capital invested relative to the number of workers employed;
  (2) Annual net foreign exchange savings or earnings of not less than US$500,000 during the first three years of operation and;
  (3) Use of indigenous raw materials.

  The Parent Company will apply for an extension should it resume mining operations.

- Tax credit for ten years equivalent to the national internal revenue taxes and duties paid on raw materials and supplies and semi-manufactured products used.

In addition, the BOI has granted certain operational and customs-related incentives, including:

- Employment of foreign nationals.
- Simplification of customs procedures for imported equipment and supplies.
- Exemption of import duties, taxes and fees, on spare parts and supplies for a period of ten years, provided exports exceed 70% of production, which we expect will be the case.
- Exemption from wharfage dues, any export tax, duties, imposts and fees for a period of ten years.

17.2 Provision for income tax

Statements of total comprehensive income for ITH and non-ITH activities of the Group consist of:

	June 30 2015			June 30, 2014		
	ITH	Non-ITH	Total	ITH	Non-ITH	Total
Revenues						
Sale of copper concentrates and zinc	-	-	-	490,505	-	490,505
Drilling revenue	-	7,853	7,853	-	1,457	1,457
Sale of nickel ore	-	504,604	504,604	-	-	-
Royalty Income	-	21,719	21,719	-	-	-
Sales of services	-	3,087	3,087	-	7,113	7,113
Total revenues	-	537,263	537,263	490,505	8,570	499,075
Costs and expenses						
Cost of sales	-	352,514	352,514	404,236	151,298	555,534
General and administrative expenses	-	102,208	102,208	14,759	46,914	61,673
Exploration costs	-	4,984	4,984	-	5,555	5,555
	-	459,706	459,706	418,995	203,767	622,762
Income (loss) from operations	-	77,557	77,557	71,510	(195,197)	(123,687)
Other operating income (expenses)	-	(13,338)	(13,338)	-	(19,660)	(19,660)
Finance costs and income						
Financing costs	-	(9,140)	(9,140)	-	(578)	(578)
Foreign exchange gain (loss), net	-	(4,577)	(4,577)	-	-	-
Interest income	-	2,922	2,922	-	749	749
Total other operating expenses, finance costs and income	-	(24,133)	(24,133)	-	(19,489)	(19,489)
Income (loss) before income tax	-	53,424	53,424	71,510	(214,686)	(143,176)
Provision for income tax	-	(1,815)	(1,815)	-	(125)	(125)
Net income (loss) for the year	-	51,609	51,609	71,510	(214,811)	(143,301)
Other comprehensive income gain	-	1,911	1,911	-	17,621	17,621
Total comprehensive income (loss) for the year	-	53,520	53,520	71,510	(197,190)	(125,680)

	December 31,2014			December 31, 2013			December 31,2012		
	ITH	Non-ITH	Total	ITH	Non-ITH	Total	ITH	Non-ITH	Total
Revenues									
Sale of copper concentrates and zinc	490,505	-	490,505	2,322,468	-	2,322,468	3,797,059	-	3,797,059
Drilling revenue	-	2,067	2,067	-	50,599	50,599	-	-	-
Sale of nickel ore	-	391,328	391,328	-	-	-	-	-	-
Royalty Income	-	-	-	-	66,863	66,863	-	158,007	158,007
Sales of services	-	5,343	5,343	-	-	-	-	-	-
Total revenues	490,505	398,738	889,243	2,322,468	117,462	2,439,930	3,797,059	158,007	3,955,066
Costs and expenses									
Cost of sales	404,236	219,075	623,311	2,245,135	51,186	2,296,321	3,024,787	27,173	3,051,960
General and administrative expenses	14,759	221,377	236,136	68,412	22,192	90,604	129,337	189,186	318,523
Exploration costs	-	8,166	8,166	-	9,806	9,806	-	159,303	159,303
	418,995	448,618	867,613	2,313,547	83,184	2,396,731	3,154,124	375,662	3,529,786
Income (loss) from operations	71,510	(49,880)	21,630	8,921	34,278	43,199	642,935	(217,655)	425,280
Other operating income (expenses)	-	6,007	6,007	(381)	(30,014)	(30,395)	(278)	(35,636)	(35,914)
Finance costs and income									
Financing costs	-	(1,156)	(1,156)	-	(5,985)	(5,985)	-	(11,177)	(11,177)
Foreign exchange loss, net	-	(8)	(8)	-	(1,661)	(1,661)	-	31,393	31,393
Interest income	-	2,681	2,681	-	6,670	6,670	-	36,528	36,528
Total other operating expenses, finance costs and income	-	7,524	7,524	(381)	(30,990)	(31,371)	(278)	21,108	20,830
Income (loss) before income tax	71,510	(42,356)	29,154	8,540	3,288	11,828	642,657	(196,547)	446,110
Provision for income tax	-	(809)	(809)	-	(2,257)	(2,257)	-	(1,499)	(1,499)
Net income (loss) for the year	71,510	(43,165)	28,345	8,540	1,031	9,571	642,657	(198,046)	444,611
Other comprehensive income gain (loss)	-	11,812	11,812	-	(2,072)	(2,072)	-	(20,453)	(20,453)
Total comprehensive income (loss) for the year	71,510	(31,353)	40,157	8,540	(1,041)	7,499	642,657	(218,499)	424,158

The reconciliation of the provision for income tax computed at the statutory tax rate to actual provision for income tax shown in the consolidated statements of total comprehensive income follow:

	For the six months ended June 30,		For the years ended December 31,		
	2015	2014	2014	2013	2012
Provision for (benefit from) income tax at statutory tax rate	25,357	41,287	9,046	4,403	(86,269)
Add (Deduct) reconciling items:					
Temporary differences	1,775	-	1,426	9,194	198,766
Unrecognized deferred income tax assets on NOLCO	-	(19,834)	38,645	9,126	127,087
Applied NOLCO	(20,028)	-	-	-	-
Change in unrecognized deferred income tax assets	-	-	(20,839)	-	-
Non-deductible expenses	48	-	12	622	1,059
Interest income subject to final tax	(636)	-	(831)	(724)	(966)
Income tax holiday benefit	-	(21,453)	(21,453)	(2,562)	(192,275)
Royalty income subjected to final tax	(6,516)	-	-	(20,059)	(47,402)
Reversal of accrued expense	-	-	(6,000)	-	-
Minimum corporate income tax (MCIT)	1,815	125	803	2,257	1,499
Actual provision	1,815	125	809	2,257	1,499

The provision for income tax consists of:

	For the six months ended June 30,		For the years ended December 31,		
	2015	2014	2014	2013	2012
Current - MCIT	1,815	125	803	2,257	1,499
Deferred	-	-	6	-	-
	1,815	125	809	2,257	1,499

17.3 Deferred income taxes

Deferred income tax liability of P6 as at December 31, 2014 is attributed to unrealized foreign exchange gains of the subsidiaries. The details of temporary differences in which no deferred income tax assets were recognized because the Group believes that the realization of the related tax benefits through future taxable income are not highly probable at the reporting date, are as follows:

	For the six months ended June 30,			
	2015		2014	
	Gross	30%	Gross	30%
To be recovered within 12 months				
Unrealized loss	3,983	1,195	(235)	(71)
To be recovered after 12 months				
Remeasurement gain on retirement benefit	40,869	12,261	38,882	11,665
Provision for impairment of receivables/advances	29,616	8,885	29,616	8,885
Provision for inventory obsolescence	17,412	5,224	17,412	5,224
Retirement benefit asset, net	(58,459)	(17,538)	(68,775)	(20,633)
Others	145,120	43,536	-	-
	174,558	52,368	17,135	5,141
	178,541	53,563	16,900	5,070

	For the years ended December 31,					
	2014		2013		2012	
	Gross	30%	Gross	30%	Gross	30%
To be recovered within 12 months						
Unrealized loss	6,128	1,838	6,307	1,892	(34,630)	(10,389)
To be recovered after 12 months						
Remeasurement gain on retirement benefit	43,578	13,073	53,572	16,072	54,431	16,329
Provision for impairment of receivables/advances	29,616	8,885	29,616	8,885	29,616	8,885
Provision for inventory obsolescence	17,412	5,224	22,328	6,698	-	-
Provision for investment	-	-	-	-	738,600	221,580
Retirement benefit asset, net	(63,756)	(19,127)	(57,662)	(17,299)	11,078	3,323
Others	1,524	457	1,769	531	1,769	531
	28,374	8,512	49,623	14,887	835,494	250,648
	34,502	10,350	55,930	16,779	800,864	240,259

As at June 30, 2015 and December 31, 2014, 2013 and 2012, the Group has likewise unrecognized deferred income tax assets arising from NOLCO and MCIT as follows:

Taxable year	Expiration NOLCO / MCIT	NOLCO	MCIT
2012	2015	423,623	1,499
2013	2016	47,684	2,257
2014	2017	26,387	819
2015	2018	-	1,815
		497,694	6,390
Expired during the year		(66,759)	-
		430,935	6,390

Note 18 - Retirement benefits

The Parent Company maintains a non-contributory defined benefit retirement plan for the benefit of its regular employees. Plan assets are handled by a trustee bank, governed by local regulations and practices and approved by the management of the Parent Company. Contributions to the fund and investment activity of the fund are approved by the retirement fund Board of Trustees. The normal retirement age is 60. Normal retirement benefit is equivalent to the corresponding percentage of the Plan Salary for every year of Credited Service in accordance with the appropriate vesting schedule.

Exploration Drilling Corporation (EDCO) has established a formal retirement plan for its employees effective August 1, 2013. Membership in the plan shall be automatic for all officers and employees of the Company with regular employment status. The retirement benefit shall be the sum equivalent to the corresponding percentage of the plan salary for every year of credited service. The retirement benefits are determined using the Projected Unit Credit (PUC) method.

Actuarial valuations were sought from an independent actuary at June 30, 2015. The retirement obligation is determined using the projected unit credit cost method. Under this method, the annual normal cost for the portion of the retirement is determined as the amount necessary to provide for the portion of the retirement benefit accruing during the year.

The amounts recognized in the consolidated financial statements related to post-employment benefits are as follows:

	TVIRD	EDCO	AMVI	Total
June 30, 2015				
Consolidated statement of financial position for:				
Retirement asset (obligation)	23,765	(3,468)	(2,700)	17,597
Charged to/included in operating profit for:				
Retirement benefits	4,335	471	2,003	6,809
Remeasurements gain on:				
Retirement benefits	2,709	(102)	(696)	1,911
June 30, 2014				
Charged to/included in operating profit for:				
Retirement benefits	(7,595)	914	-	(6,681)
Remeasurements gain on:				
Retirement benefits	15,971	1,650	-	17,621
December 31, 2014				
Consolidated statement of financial position for:				
Retirement asset (obligation)	25,390	(3,395)	-	21,995
Charged to/included in operating profit for:			-	
Retirement benefits	(3,134)	1,842	-	(1,292)
Remeasurements gain on:			-	
Retirement benefits	9,994	1,818	-	11,812

	TVIRD	EDCO	AMVI	Total
December 31, 2013			-	
Consolidated statement of financial position for:				
Retirement asset (obligation)	12,262	(6,672)	-	5,590
Charged to/included in operating profit for:			-	
Retirement benefits	(73,064)	1,948	-	(71,116)
Remeasurements gain (loss) on:			-	
Retirement benefits	860	(2,932)	-	(2,072)
December 31, 2012			-	
Consolidated statement of financial position for:				
Retirement asset (obligation)	(62,217)	(3,292)	-	(65,509)
Charged to/included in operating profit for:			-	
Retirement benefits	43,283	762	-	44,045
Remeasurements gain (loss) on:				
Retirement benefits	(20,453)	-	-	(20,453)

The amounts recognized in the consolidated statements of financial position are determined as follows:

	TVIRD	EDCO	AMVI	Total
June 30, 2015				
Present value of obligations	43,997	4,063	2,700	50,760
Fair value of plan assets	(67,762)	(595)	-	(68,357)
(Asset) Liability	(23,765)	3,468	2,700	(17,597)
December 31, 2014				
Present value of obligations	42,771	3,499	-	46,270
Fair value of plan assets	(68,161)	(104)	-	(68,265)
(Asset) Liability	(25,390)	3,395	-	(21,995)
December 31, 2013				
Present value of obligations	125,933	8,173	-	134,106
Fair value of plan assets	(138,195)	(1,501)	-	(139,696)
(Asset) Liability	(12,262)	6,672	-	(5,590)
December 31, 2012				
Present value of obligations	210,043	3,292	-	213,335
Fair value of plan assets	(147,826)	-	-	(147,826)
(Asset) Liability	62,217	3,292	-	65,509

Changes in the present value of the defined benefit obligation are as follows:

	TVIRD	EDCO	AMVI	Total
June 30, 2015				
Beginning balance	42,771	3,499	-	46,270
Current service cost	4,913	387	2,003	7,303
Interest cost	975	93	-	1,068
Remeasurement (gain) losses:				
Due to change in financial assumptions	147	105	67	319
Due to experience adjustments	(3,522)	(21)	630	(2,913)
Benefits paid	(1,287)	-	-	(1,287)
End balance	43,997	4,063	2,700	50,760
December 31, 2014				
Beginning balance	125,933	8,173	-	134,106
Current service cost	16,215	1,485	-	17,700
Interest cost	5,542	396	-	5,938
Curtailment gain from retrenchment	(18,809)	-	-	(18,809)
Remeasurement (gain) losses:			-	
Due to change in financial assumptions	(1,299)	(89)	-	(1,388)
Due to experience adjustments	(17,758)	(3,194)	-	(20,952)
Change in demographic assumptions	-	(1,482)	-	(1,482)
Benefits paid	(67,053)	(1,790)	-	(68,843)
End balance	42,771	3,499	-	46,270
December 31, 2013				
Beginning balance	210,043	3,292	-	213,335
Current service cost	48,166	1,439	-	49,605
Interest cost	11,090	242	-	11,332
Curtailment gain from retrenchment	(124,515)	-	-	(124,515)
Remeasurement (gain) losses:				
Due to change in financial assumptions	37,521	940	-	38,461
Due to experience adjustments	(37,987)	2,277	-	(35,710)
Change in demographic assumptions	-	(17)	-	(17)
Benefits paid	(18,385)	-	-	(18,385)
End balance	125,933	8,173	-	134,106
December 31, 2012				
Beginning balance	137,740	2,530	-	140,270
Current service cost	40,086	701	-	40,787
Interest cost	8,223	61	-	8,284
Remeasurement (gain) losses:				
Due to change in financial assumptions	25,732	-	-	25,732
Due to experience adjustments	(171)	-	-	(171)
Benefits paid	(1,567)	-	-	(1,567)
End balance	210,043	3,292	-	213,335

The fair value of plan assets is as follows:

	TVIRD	EDCO	AMVI	Total
June 30, 2015				
Beginning balance	68,161	104	-	68,265
Interest income	1,554	10	-	1,564
Contributions	-	500	-	500
Benefits paid	(1,286)	-	-	(1,286)
Remeasurement gain from experience adjustments	(667)	(19)	-	(686)
End balance	67,762	595	-	68,357
December 31, 2014				
Beginning balance	138,195	1,501	-	139,696
Interest income	6,081	38	-	6,119
Benefits paid	(67,052)	(1,419)	-	(68,471)
Remeasurement gain from experience adjustments	(9,063)	(16)	-	(9,079)
End balance	68,161	104	-	68,265
December 31, 2013				
Beginning balance	147,826	-	-	147,826
Interest income	7,806	49	-	7,855
Actual contributions	-	1,500	-	1,500
Benefits paid	(17,831)	-	-	(17,831)
Remeasurement gain from experience adjustments	394	(48)	-	346
End balance	138,195	1,501	-	139,696
December 31, 2012				
Beginning balance	84,197	-	-	84,197
Interest income	5,027	-	-	5,027
Actual contributions	54,885	-	-	54,885
Benefits paid	(1,390)	-	-	(1,390)
Remeasurement gain from experience adjustments	5,107	-	-	5,107
End balance	147,826	-	-	147,826

The major categories of plan assets as a percentage of the fair value of the total plan assets are as follows:

	TVIRD				EDCO			
	2015	2014	2013	2012	2015	2014	2013	2012
Government securities	77.08%	79.90%	83.40%	82.00%	-	-	-	-
Loans and discounts	0.00%	0.00%	0.73%	9.00%	-	-	-	-
Common trust fund/UITF	18.32%	18.10%	8.86%	7.00%	100%	100%	100%	-
Deposits in banks	4.60%	2.00%	7.01%	2.00%	-	-	-	-
	100.00%	100.00%	100.00%	100.00%	100%	100%	100%	-

The Parent Company's plan is being administered by a trustee-bank who is authorized to invest the fund as it deems proper. The fair value of the plan assets approximates their carrying value as at and for the periods ended June 30, 2015 and December 31, 2014, 2013 and 2012.

The Parent Company and EDCO's ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension schemes. Within this framework, the Parent Company and EDCO's ALM objective is to match assets to the retirement obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The Parent Company and EDCO's actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement obligations. The Parent Company and EDCO's have not changed the processes used to manage its risks from previous periods. The Parent Company and EDCO's does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. The largest proportion of assets is invested in Government securities, although the Parent Company and EDCO's also invests in mutual funds, treasury bonds and notes and unit investment trust funds. The Board of Trustee believes that Government securities offer the best returns over the long term within the acceptable level of risk. There are no plan assets invested in entities which are considered as related parties.

Pension costs (benefits) recognized in profit or loss are as follows:

	TVIRD	EDCO	AMVI	Total
For the six months ended June 30, 2015				
Current service cost	4,913	387	2,003	7,303
Net interest cost	(578)	84	-	(494)
Total included in personnel costs	4,335	471	2,003	6,809
For the six months ended June 30, 2014				
Current service cost	10,881	743	-	11,624
Curtailment gain	(18,809)	-	-	(18,809)
Net interest cost	333	171	-	504
Total included in personnel costs	(7,595)	914	-	(6,681)
For the years ended December 31, 2014				
Current service cost	16,215	1,485	-	17,700
Curtailment gain	(18,809)	-	-	(18,809)
Net interest cost	(540)	357	-	(183)
Total included in personnel costs	(3,134)	1,842	-	(1,292)
For the years ended December 31, 2013				
Current service cost	48,166	1,439	-	49,605
Curtailment gain	(124,515)	316	-	(124,199)
Net interest cost	3,285	193	-	3,478
Total included in personnel costs	(73,064)	1,948	-	(71,116)
For the years ended December 31, 2012				
Current service cost	40,086	701	-	40,787
Net interest cost	3,197	61	-	3,258
Total included in personnel costs	43,283	762	-	44,045

The movements in the retirement benefit obligation (plan asset) recognized in the consolidated statement of financial position are as follows:

	TVIRD	EDCO	AMVI	Total
June 30, 2015				
Beginning balance	(25,390)	3,395	-	(21,995)
Total expense charged in profit or loss	4,334	471	2,004	6,809
Contributions	-	(500)	-	(500)
Recognized in other comprehensive income	(2,709)	102	696	(1,911)
End balance	(23,765)	3,468	2,700	(17,597)
December 31, 2014				
Beginning balance	(12,262)	6,672	-	(5,590)
Total expense charged in profit or loss	(3,134)	1,842	-	(1,292)
Recognized in other comprehensive income	(9,994)	(4,749)	-	(14,743)
Benefits paid directly by the subsidiary	-	(370)	-	(370)
End balance	(25,390)	3,395	-	(21,995)
December 31, 2013				
Beginning balance	62,217	3,292	-	65,509
Total expense charged in profit or loss	(73,064)	1,948	-	(71,116)
Recognized in other comprehensive income	(859)	2,932	-	2,073
Contribution	-	(1,500)	-	(1,500)
Benefits paid directly by the subsidiary	(556)	-	-	(556)
End balance	(12,262)	6,672	-	(5,590)
December 31, 2012				
Beginning balance	53,543	2,530	-	56,073
Total expense charged in profit or loss	43,283	762	-	44,045
Recognized in other comprehensive income	20,453	-	-	20,453
Contributions	(54,885)	-	-	(54,885)
Benefits paid directly by the Parent Company	(177)	-	-	(177)
End balance	62,217	3,292	-	65,509

The principal actuarial assumptions used were as follows:

	TVIRD				EDCO			
	2015	2014	2013	2012	2015	2014	2013	2012
Discount rate	4.54%	4.56%	4.40%	5.00%	4.81%	5.36%	4.84%	7.00%
Future salary increases	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

The weighted average duration of the defined benefit obligation is 23 years.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

	Impact on defined benefit obligation	
	Increase by 1%	Decrease by 1%
2015		
Discount rate increase (decrease) by:	(7,214)	9,316
Salary growth rate increase (decrease) by:	8,521	(6,826)
2014		
Discount rate increase (decrease) by:	(7,169)	9,266
Salary growth rate increase (decrease) by:	8,438	(6,764)
2013		
Discount rate increase (decrease) by:	(9,748)	12,408
Salary growth rate increase (decrease) by:	11,192	(9,107)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement liability recognized within the consolidated statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Expected contributions to post-employment benefit plans for the year ending December 31, 2015 are as follows:

TVIRD	nil
EDCO	1,000
AMVI	928

Expected maturity analysis of the undiscounted benefit payments are as follows:

	TVIRD			EDCO*			
	2015	2014	2013	2015	2014	2013	2015
1 year or less	9,553	6,391	67,146	-	-	812,781	-
More than 1 year to 5 years	7,810	7,466	5,992	-	-	-	31
More than 5 years to 10 years	22,195	14,743	19,182	4,641	4,439	4,790	3,536
More than 10 years to 15 years	3,966	19,250	21,174	-	-	-	-
More than 15 years to 20 years	29,149	30,559	189,663	-	-	-	8,667
More than 20 years	974,107	1,073,183	1,401,593	-	-	-	278,253

*Undiscounted benefit payments up to 10 years.

Note 19 - Equity

(a) Share capital

The composition of the Parent Company's share capital as at June 30, 2015 and December 31, 2014 is as follows:

Authorized no. of ordinary shares	500,000,000
Par value per share	P1
Issued and subscribed	153,221,593
Treasury shares	37,408,330

The composition of the Parent Company's share capital as at December 31, 2013 is as follows:

	Class A	Class B	Total
Authorized no. of shares	50,500,000	449,500,000	500,000,000
Par value per share	P1	P1	P1
Issued and outstanding	23,078,128	106,161,388	129,239,516

The composition of the Parent Company's share capital as at December 31, 2012 is as follows:

	Class A	Class B	Total
Authorized no. of shares	20,500,000	20,500,000	41,000,000
Par value per share	P1	P1	P1
Issued and outstanding	20,500,000	14,909,091	35,409,091

Class A shares have a cumulative preferred dividend of 20% p.a. based on its par value when declared by the Company, but without any further participation in the profits of the Parent Company. Total dividends accumulated as at December 31, 2013 but not declared amounted to P1,030. Class B shares will solely be entitled to the profits after payment of the dividends of Class A shares.

On February 25, 2013, the Board of Directors approved the increase of authorized share capital to P101 million in compliance with the Department of Environment and Natural Resources (DENR) - Department Memorandum Order (DMO) No. 2013-01 issued on February 21, 2013. The additional authorized share capital of P60 million shares is divided into 30 million Class A Shares and 30 million Class B shares both with a par value of P1 per share.

In March 2013, the Parent Company received a share capital subscription of 10,312,500 Class A shares at par value from its shareholders. Of the total subscription, P2,578 was paid in cash and P7,500 was paid thru stock dividends as at March 31, 2013. The remaining 234,375 shares remained part of the subscribed but unissued shares as at December 31, 2013.

On July 4, 2013, the SEC approved the increase of authorized share capital of the Parent Company from P41,000 divided into 20,500,000 Class A and 20,500,000 Class B shares to P101,000 divided into 50,500,000 Class A shares and 50,500,000 Class B shares with the par value of P1.00 each.

On December 6, 2013, the Board of Directors approved the increase of the authorized share capital of the Parent Company. On December 27, 2013, the SEC approved the increase of authorized share capital from P101,000 divided into 50,500,000 Class A shares and 50,500,000 Class B shares both with par value of P1.00 into 50,500,000 Class A shares and 449,500,000 Class B shares both with par value of P1.00.

Of the increase in authorized share capital of Class B shares amounting to P399,000, the amount of P99,999 has been subscribed, of which P88,270 for 83,752 shares has been paid on December 27, 2013. The excess payments over the par value of subscribed shares of P4,517 was credited to share premium.

On January 10, 2014, all 30,812,500 Class A shares held by JMM International Holdings and Roberto V. San Jose were repurchased by the Parent Company for US$850 thousands (P37,408).

On January 10, 2014, the Parent Company issued additional 23,982,077 Class B shares for P500.99 million.

On November 24, 2014, the Board of Directors approved to declassify 50,500,000 Class A shares and 449,500,000 Class B shares to 500,000,000 ordinary shares with a par value of P1 per share, which was approved by the SEC on May 4, 2015.

(b) Retained earnings

On March 12, 2012, the Board of Directors approved to increase the appropriation to P1.26 billion.

On November 27, 2012, the Board of Directors reversed the P1.26 billion appropriation and declared cash dividends amounting to P5,818 for Class A shares and stock dividends of 803,828 Class B shares for P1 billion with an excess of par credited to share premium amounting to P999,196. Simultaneously, the Parent Company also issued 1,105,263 Class A shares at par value.

On December 14, 2012, the Board of Directors approved the appropriation of P250 million of retained earnings for the continuous funding of the development and exploration of mining projects and the joint venture with Mindoro Resources Ltd.

On February 25, 2013 the Board of Directors declared cash dividends amounting to P3,897 for Class A shares (P0.17 per share) and paid the said amount on March 21, 2013.

On June 2013, the Board of Directors approved the reversal of the appropriated retained earnings amounting to P250 million.

On November 4, 2013, the Board of Directors declared a cash dividend amounting to P4,087 in favor of the Class A shareholders (P0.18 per share) of the Parent Company. The cash dividend was paid on January 10, 2014.

On December 13, 2013, the Board of Directors approved the appropriation of P250 million of the Parent Company's retained earnings for the continuous funding of the development and exploration of mining projects. (Notes 1.2 and 24).

(c) Other reserves

Other reserves pertain to other comprehensive loss on remeasurements of post-employment benefit obligations that could not be reclassified to profit or loss (Note 18) amounting to P39.85 million (2014 - P41.8 million; 2013 - P53.6 million; 2012 - P54.4 million) and excess of consideration paid by the Company and the aggregate book value of the assets and liabilities of the acquired entity under common control amounting to P291.08 million in 2014.

Note 20 - Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net income (loss) attributable to owners of the Parent Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Parent Company and held as treasury shares, if any.

Earnings (loss) per share are calculated as follows:

	For the six months ended June 30		For the years ended December 31		
	2015	2014	2014	2013	2012
Net income (loss) attributable to the owners of the Parent Company	55,194	(143,301)	(8,533)	29,903	478,487
Weighted average common shares - basic and diluted (in '000)	122,409	122,409	122,409	44,315	33,659
Basic and diluted earnings (loss) per share	0.45	(1.17)	(0.07)	0.67	14.22

The basic and diluted earnings per share are the same for the periods presented as there are no potential dilutive common shares.

Note 21 - Financial instruments

(a) Financial instruments by category

The accounting policies for financial instruments had been applied to the line items below.

	Notes	Loans and receivables	Financial assets through profit or loss	Other financial liabilities
June 30, 2015				
Cash and cash equivalents	5	224,867	-	-
Receivables, net	6	443,259	-	-
Due from related parties	7	337	-	-
Option to purchase contracts	12	-	250,850	-
Other non-current assets	13	134,659	-	-
Trade payables		-	-	(81,074)
Due to related parties	7	-	-	(6,721)
Accrued expenses and other liabilities	14	-	-	(141,984)
Borrowings	16	-	-	(365,874)
		803,122	250,850	(595,653)

	Notes	Loans and receivables	Financial assets through profit or loss	Other financial liabilities
December 31, 2014				
Cash and cash equivalents	5	500,147	-	-
Receivables, net	6	289,919	-	-
Due from related parties	7	358	-	-
Option to purchase contracts	12	-	238,682	-
Other non-current assets	13	134,161	-	-
Trade payables		-	-	(36,634)
Due to related parties	7	-	-	(828)
Accrued expenses and other liabilities	14	-	-	(185,982)
Borrowings	16	-	-	(357,760)
		924,585	238,682	(581,204)

	Notes	Loans and receivables	Financial assets through profit or loss	Other financial liabilities
December 31, 2013				
Cash and cash equivalents	5	258,928	-	-
Receivables, net	6	61,461	-	-
Due from related parties	7	137	-	-
Option to purchase contracts	12	-	269,764	-
Other non-current assets	13	130,945	-	-
Trade payables		-	-	(119,016)
Due to related parties	7	-	-	(16,189)
Accrued expenses and other liabilities	14	-	-	(97,077)
		451,471	269,764	(232,282)

	Notes	Loans and receivables	Financial assets through profit or loss	Other financial liabilities
December 31, 2012				
Cash and cash equivalents	5	568,500	-	-
Receivables, net	6	244,758	-	-
Due from related parties	7	111,361	-	-
Option to purchase contracts	12	-	55,130	-
Other non-current assets	13	131,475	-	-
Trade payables		-	-	(146,286)
Due to related parties	7	-	-	(289,297)
Accrued expenses and other liabilities	14	-	-	(92,745)
Borrowings	16	-	-	(410,500)
		1,056,094	55,130	(938,828)

(b) Credit quality of financial assets

Cash in banks are maintained in Universal banks. Universal banks represent the largest single group, resource-wise, of financial information in the country. They offer the widest variety of banking services among financial institutions.

Trade and other receivables, due from related parties and other financial assets are considered current and fully performing, other than those with provision for impairment. Option to purchase contracts are considered non-current asset with recoverability expected to be beyond the year which are not considered impaired. None of the financial assets that are fully performing has been renegotiated in 2015, 2014 and 2013.

Note 22 - Costs of sales and services; Operating expenses

Details of cost of sales and services are as follows:

		For the six months ended June 30		For the years ended December 31,		
	Note	2015	2014	2014	2013	2012
Mining and milling and services costs						
Outside services		225,676	13,614	136,534	193,134	203,559
Personnel costs		33,210	60,579	58,988	296,800	299,443
Materials and supplies	8	22,983	279,905	296,622	707,866	863,321
Depreciation	10	10,658	12,559	14,139	233,067	355,239
Repairs and maintenance		2,160	7,951	6,360	61,332	51,858
Amortization of mining claims and deferred exploration costs and asset restoration costs	10,11	19,180	1,025	3,173	65,210	108,988
Advertising		2,113	4,142	1,946	50,795	57,402
Travel and transportation		2,159	1,039	1,826	11,231	7,801
Utilities		1,000	849	172	2,517	2,494
Taxes and licenses		759	4,469	1,099	12,543	13,766
Insurance		277	1,985	546	6,757	8,834
Rent	24.5	925	531	2,905	47,668	46,639
Accretion and restoration cost	15	-	763	127	1,741	28,572
(Reversal of) Provision for impairment of input taxes	9	-	755	(89,299)	20,424	-
Total mining and milling costs		321,100	390,166	435,138	1,711,085	2,047,916
Refining costs		-	91,271	91,271	313,122	474,515
Freight		12,998	36,869	46,126	98,537	295,755
Excise tax		8,949	8,140	15,975	40,119	66,458
Royalty	24.1.b	5,254	10,839	16,220	52,723	86,050
Penalties		-	13,854	13,854	76,172	67,571
Others		4,213	4,395	4,727	4,563	13,695
		352,514	555,534	623,311	2,296,321	3,051,960

Details of operating expenses are as follows:

		For the six months ended June 30		For the years ended December 31,		
	Note	2015	2014	2014	2013	2012
Personnel costs	18	48,003	30,976	140,546	20,871	146,143
Outside services		20,243	6,829	956	18,610	44,039
Depreciation	10	8,133	6,346	14,440	9,591	13,449
Travel and transportation		6,701	2,611	11,847	7,082	12,896
Rent	24.5	4,297	4,279	8,587	6,816	6,910
Taxes and licenses		4,274	2,202	13,413	7,361	6,213
Utilities		3,132	2,670	5,780	5,921	6,919
Insurance		2,108	1,810	5,284	4,158	4,434
Advertising		1,823	596	12,592	5,501	28,286
Materials and supplies	8	1,623	780	18,752	1,657	2,387
Repairs and maintenance		726	370	3,635	342	221
Freight		39	37	2,288	66	154
Accretion and restoration cost	15	-	-	1,399	-	-
Pension cost		-	-	-	-	43,283
(Reversal of) Provision for impairment of input taxes	9	-	1,934	(7,481)	1,561	-
Miscellaneous		1,106	233	4,098	1,067	3,189
		102,208	61,673	236,136	90,604	318,523

Note 23 - Exploration costs; Other operating expenses (income)

Details of exploration costs are as follows:

	Note	For the six months ended June 30 2015	2014	For the years ended December 31, 2014	2013	2012
Balabag Project and other exploration costs						
Personnel costs		12,830	16,679	36,405	62,924	96,582
Outside services		8,321	6,630	19,333	47,875	115,845
Advertising		1,407	1,068	5,313	16,126	45,456
Materials and supplies	8	2,583	2,156	4,373	12,988	26,181
Repairs and maintenance		9	1,409	1,745	11,978	5,846
Travel and transportation		484	644	1,732	1,933	5,851
Taxes and licenses		1	1,277	1,334	1,283	15,549
Rent	24.5	122	489	831	1,193	1,307
(Reversal of) Provision for impairment of input taxes	9	-	337	(12,318)	2,798	-
Balabag capitalized exploration costs:						
Personnel costs and outside services		(12,179)	(14,801)	(39,250)	(105,830)	(101,342)
Materials and supplies	8	(2,510)	(2,242)	(4,446)	(16,263)	(14,473)
Outside services		(3,974)	-	-	-	-
Advertising, repairs and maintenance and others		(2,937)	(8,818)	(8,446)	(27,972)	(40,110)
Miscellaneous		827	727	1,560	773	2,611
		4,984	5,555	8,166	9,806	159,303

Other operating expenses (income) consist of:

	Note	For the six months ended June 30 2015	2014	For the years ended December 31, 2014	2013	2012
Depreciation	10	21,443	11,163	23,664	38,621	16,413
Realized foreign exchange loss	25	2,459	8,457	10,331	8,644	55,713
Gain (Loss) on disposal of property and equipment		2,345	-	9,945	1,783	3
Accretion and restoration costs	15	3,540	327	655	1,046	6,547
Bank charges		-	-	1,650	181	279
Provision for (Reversal of) inventory obsolescence	8	-	-	(4,916)	4,794	10,212
Unrealized foreign exchange loss (gain)	25	(894)	39	(5,842)	6,777	(26,798)
Write-off of uncollectible accounts		-	-	-	-	1,437
Reversal of provision for impairment of input taxes	9	-	-	(16,100)	(2,755)	(13,613)
Write-back of accrued expense		(4,534)	-	(20,000)	-	-
Others		(11,021)	(326)	(5,394)	(28,696)	(14,279)
		13,338	19,660	(6,007)	30,395	35,914

The Group made an assessment of outstanding accruals as at December 31, 2014. The balances assessed no longer payable were written-off.

Note 24 - Major contracts and agreements

24.1 Mineral production sharing agreement and financial or technical assistance agreement

(a) Outstanding proposals

The Parent Company has outstanding proposals for Mineral Production Sharing Agreements ("MPSAs") and Financial or Technical Assistance Agreement ("FTAAs") with the Mines and Geosciences Bureau of the Department of Environment and Natural Resources (DENR-MGB). Under certain proposed terms and conditions of the MPSAs and FTAAs, the Parent Company shall undertake the exploration, development and mining operation of certain mineral deposits.

As at June 30, 2015, the following are the outstanding proposals:

Location	Type of proposal	Area (hectares)	Date filed
Zamboanga del Norte	MPSA	2,222	January 21, 1994
Zamboanga del Norte	MPSA	2,673	April 5, 1994
Zamboanga del Norte	FTAA	12,798	January 28, 2005
Zamboanga del Norte	FTAA	7,776	March 31, 2005

The proposals for the FTAA and MPSA described above are pending approval by the DENR-MGB. There were no costs incurred on the outstanding proposals as at and for the years ended December 31, 2014 and 2013.

(b) Approved proposals

- The Parent Company has entered into an agreement with Bosque-Benguet on the approved MPSA in Canatuan, Siocon, Zamboanga Del Norte covering 508 hectares. Under the terms of the agreement, the Parent Company holds 100% interest in the MPSA subject to a 1% royalty interest to Mr. Bosque. Royalty paid for the year ended June 30, 2015 amounts to nil million (December 31, 2014 - P16.2 million; December 31, 2013 - P52.7 million) (Note 21).

- The MPSA of Zamboanga Minerals Corporation (ZMC) was assigned to the Parent Company pursuant to a Deed of Assignment executed by and between ZMC and the Parent Company on July 6, 2009 with addendum to the Deed of Assignment on August 27, 2009. The assignment in favor of the Parent Company was approved by the DENR on September 28, 2009.

- On November 26, 2009, DENR-MGB has approved the Parent Company's MPSA application dated November 14, 1996 and consequently ordered the issuance of MPSA in the name of Mr. Roldan Dalman. The said MPSA is covered by a Concession Purchase Agreement between the Parent Company and Mr. Dalman.

24.2 Royalty Agreements

The Parent Company is a party to Royalty Agreements, entered into in 1994, for the transfer to the Parent Company of the mining rights of the following companies:

- Goldrush Mineral Exploration Corporation ("GMEC") covering 1,650 hectares situated at the Municipality of Rapu-Rapu, Province of Albay.

- Zamboanga Gold Mining Corporation ("ZGMC") covering 2,025 hectares situated at the Municipality of Siocon, Province of Zamboanga del Norte.

Under the terms of the agreements, the Parent Company, using its own funds, shall undertake field examination, investigation and exploration in the covered properties and, if warranted, to conduct evaluation, technical and feasibility studies. If finally justified, it shall develop, conduct and provide production facilities for the operation of the properties to produce and sell gold, silver, copper, coal and such other derivative products. Should the properties be placed in commercial production, GMEC and ZGMC shall be entitled to a royalty equivalent from 4% to 5% of net realizable value and/or net smelter return ("NRV/NSR"), as defined in the agreements, of the gold and other saleable products and/or by-products actually sold.

Due to financial constraints, the Parent Company had to cancel its agreement with GMEC in mid-1998. Subsequently, it reacquired an interest in the GMEC area by virtue of its joint venture agreement to continue the exploration of certain Rapu-Rapu and Buenavista projects. On the other hand, under the terms of the covering supplemental agreement with ZGMC, the Parent Company shall pay ZGMC P200,000 as full reimbursement of expenses incurred by ZGMC.

On October 17, 2002, ZGMC was absorbed by House of Investments (HI) through merger as certified by the Securities and Exchange Commission in its Certificate of Corporate Filing/Information dated December 15, 2010. However, on January 31, 2000, the Parent Company and ZGMC agreed to make both of them as co-applicants of the MPSA Application and requested DENR-MGB to amend its records. By virtue of said agreement, both the Parent Company and ZGMC will be jointly responsible to meet the terms and conditions of said MPSA Application.

Since ZGMC has ceased to exist as a legal entity when it merged with HI, and its rights as applicant for an MPSA could not be transferred to and acquired by HI due to HI's ineligibility under the 1995 Mining Act due to absence of mining as one of its purpose clause, by operation of law, the Parent Company was left as sole applicant for said MPSA application.

On May 27, 2011, the Parent Company entered into an Addendum to the Royalty Agreement dated April 1994 with HI substituting ZGMC in said agreement with the assignment of all rights and liabilities stated in said royalty agreement. The subsequent Supplemental Agreement dated August 8, 2011, HI agreed for the Parent Company to pursue the MPSA Application solely in its name provided that the terms of the its Royalty Agreement with ZGMC will be honored.

The GMEC and ZGMC areas are also covered by MPSA applications which are pending approval by the DENR-MGB.

There are no transactions and balances arising from these agreements to and by GMEC and ZGMC as at June 30, 2015 and December 31, 2014, 2013 and 2012.

24.3 Exploration Agreements

(a) Diplahan Copper-Gold Project

In August 2006, the Parent Company signed an option agreement with original claim owner to acquire the Diplahan Copper-Gold Project in Zamboanga Sibugay province. The agreement granted the Parent Company an exclusive period of four years from date of approval of the exploration permit to assess the mineral potential of the property. The property may be purchased with the claim owner then retaining a net smelter royalty on the property. No transactions took place in 2014 and 2013 related to this project.

(b) Tamarok Copper-Gold Porphyry Project

In March 2006, the Parent Company entered into an agreement with the original claim owner to acquire the Tamarok Copper - Gold Porphyry Project in Zamboanga Del Norte Province. Under the terms of the agreement, the Parent Company has a right to purchase 100% of the claim owner's right subject to NSR Royalty. No transactions took place in 2015, 2014 and 2013 related to this project.

(c) Balabag Project (Note 1)

The Parent Company signed an option agreement with Zamboanga Minerals Corporation ("ZMC") in April 2005 to acquire the mineral rights to ZMC's Balabag property, which is located on the Zamboanga Peninsula in the southern Philippines approximately 70 kilometers to the northeast of the Canatuan Mine. The Parent Company paid ZMC as required under the option agreement, granting the Parent Company an exclusive period of two years and nine months to assess the mineral potential of the property. In 2008, the property was purchased with ZMC then retaining a net smelter royalty on the property (Note 1).

On September 28, 2009, DENR-MGB has approved the assignment of the MPSA No. 086-97-IX in the name of Zamboanga Minerals Corporation in favor of the Parent Company. The assignment of said MPSA is covered by a Deed of Assignment dated July 26, 2009 and Addendum to the Deed of Assignment dated August 27, 2009 between the Parent Company and ZMC.

(d) Rapu-Rapu and Siocon Tenements

In prior years, the Parent Company entered into agreements with Benguet Corporation ("Benguet") for the grant to the Parent Company of exploration rights with option to purchase the mining rights of Benguet in the following properties:

Location	Area	Date of agreement
Rapu-Rapu, Albay	408 hectares	November 17, 1994
Siocon, Zamboanga del Norte	1,694 hectares	January 20, 1994

Under the terms of agreements, Benguet was granted the option to participate in the mining ventures up to 25% interest in the Rapu-Rapu property and up to 12.5% interest in the Siocon property upon payment to the Parent Company. The MPSA covering 508 hectares of the Siocon property was approved by the DENR on October 23, 1996. The approved MPSA was subsequently assigned to the Parent Company from Benguet as approved by the DENR in 1998.

The Rapu-Rapu property is covered by an MPSA application. The application had been approved on June 17, 1998 by the DENR-MGB.

Supplemental agreements were also executed for the above two properties under which the Parent Company paid Benguet, in consideration for the exploration and mining rights, a total of P10 million for the Rapu-Rapu property and P34 million for the Siocon property.

In 1998, the Parent Company entered into a joint venture agreement with Rapu-Rapu Minerals, Inc., an assignee of GMEC, Lafayette Mining NL ("Lafayette") and Lafayette (Philippines) Inc. (collectively known as the Lafayette Group), where the Parent Company shall contribute to the joint venture over the following properties: rights, title and interest of the Parent Company and its subsidiaries in various mineral claims situated in Rapu-Rapu, Albay as mentioned above; an application for MPSA filed by the Parent Company's subsidiary, Miracle Mile Mining Corporation over an area of about 2,602 hectares, also situated in Rapu-Rapu, Albay; various property and equipment; and the rights to acquire the Ungay Malobago Net Smelter Royalty. In return for its being party to the agreement, GMEC vended into the joint venture all of its rights and interest in certain mineral properties and claims located at Buenavista, Camarines Sur and Karogcog and Sta. Barbara, Rapu-Rapu, Albay.

In consideration thereof, GMEC will undertake certain expenditures in order to acquire 75% interest in the joint venture over the Parent Company's covered property and will pay the Parent Company, as follows:

Upon signing of the memorandum of understanding (October 15, 1998)	$ 25,000
Within 60 days	40,000
Within 120 days	60,000
Within 150 days	25,000
Within one year of exploration commitment	1,000,000
Within four years of exploration commitment	3,000,000

The Parent Company in the past years has already received a total of $125,000 from GMEC.

On December 16, 1999, the Parent Company assigned its 75% participating interest in the Rapu-Rapu project to the Lafayette Group, retaining in the process a 2.5% Net Smelter Return ("NSR") royalty in the Project. As consideration for the assignment of its interest, the Parent Company receives an immediate cash payment from the Lafayette Group of US$500,000, plus 3.3 million common shares of Lafayette plus 3.3 million share purchase options exercisable at AUS$0.20 at any time over a period of year. The Lafayette shares are traded in the Australian stock exchange.

On June 2006, the Rapu-Rapu Project was suspended after cyanide spills were traced to its acid drainage dam. The Project was not allowed to operate until it has shown that it has complied with all the requirements, particularly the environment, social and technical responsibilities. In February 2007, Lafayette had been able to resume its operations again after making corrections in the plant's operations. However, Lafayette reported continued net loss and deficit.

On November 29 to December 3, 2007, Lafayette suspended trading in the Australian stock market and later decided to suspend trading indefinitely following failed talks with an investor. Recent events concerning the Lafayette had revealed that the operators of the Rapu-Rapu mining project in the Philippines had already filed a court petition seeking protection from the creditors.

Due to then financial crisis facing Lafayette Philippines, its royalty fee which was normally received from the sale of metals by Lafayette is suspended for indefinite period. On March 19, 2008, the Parent Company filed a Notice of Claim against the Lafayette Group in the amount of US$3.9 million for unpaid NSR.

On December 14, 2012, the Parent Company and Korea Malaysia Philippines Resources, Inc. (formerly Lafayette Philippines), Rapu-Rapu Minerals Inc., and Rapu-Rapu Processing, Inc. (the Rapu-Rapu Group) signed a memorandum of agreement stating that the latter agreed to settle the NSR royalty amounting to P158.0 million (US$3.8 million), net of final withholding taxes for the periods 2005-2012. The Parent Company collected P20.5 million (US$500 thousand) on December 21, 2012, the remaining balance of P137.5 million (US$3.3 million) as at December 31, 2012 was collected at various dates in 2013 (Note 6). NSR royalty income recognized during 2013 amounted to P66,863. The Parent Company has a NSR royalty receivable from the Rapu-Rapu Groups for its last shipment of copper concentrate and zinc shipment.

As of June 30, 2015, the Rapu-Rapu Group has acknowledged a NSR settlement amounting to P21,719 (June 30, 2014 - nil; December 31, 2014 - nil; December 31, 2013 - P66,863 ; December 31, 2012 - P158,007).

24.4 Purchase Agreement

(a) MRI Trading AG

On October 22, 2008, the Parent Company entered into a contract with MRI Trading AG ("MRI"), a private commodity trading company based in Switzerland for the sale of the Parent Company's copper concentrate. The offtake agreement with MRI involves the purchase of all production from the Canatuan Mine Site and to be sold exclusively by the Parent Company to MRI. The agreement states that the title and risk shall pass to MRI upon delivery of material over ships rail at loading port.

In June 2011, the Parent Company executed another offtake agreement with MRI for the sale of its zinc concentrate. This agreement includes all zinc production from the current Canatuan Mine and any future expansion thereto. Same with the copper concentrate agreement, the title and risk shall pass to MRI upon delivery of material over ships rail at loading port.

For the six months ended June 30, 2015, the Parent Company did not generate revenues from sale of copper and zinc concentrates (June 30, 2014 - P0.49 billion; December 31, 2014 - P0.49 billion; December 31, 2013 - P2.32 billion and December 31, 2012 - P3.80 billion) (Note 12).

(b) Tewoo Hoperay (Singapore) Pte. Ltd.

On July 2014, the AMVI entered into a contract with Tewoo Hoperay (Singapore) Pte. Ltd. ("Tewoo"), a private company based in Singapore for the sale of nickel laterite ore located within the municipalities of Tubay, Santiago and Jabongga in the province of Agusan del Norte. The agreement states that the title and risk shall pass once the nickel ores are trimmed in Tewoo's vessel at the loading port which is located in Payong-Payong Port.

In December 2014, the AMVI executed another offtake agreement with Tewoo for the sale of its nickel saprolite ore. The agreement states that the title and risk shall pass once the nickel saprolite ore are stockpiled at AMVI's mining site.

Both offtake agreement with Tewoo states the specified qualities of the nickel ore that shall be sold by AMVI.

The Agata DSO Project operations began in October 2014 consisting of shipments of approximately 55,000 WMT of high-iron/low nickel ore every three to four weeks generating revenue of P391.3 million for the year ended December 31, 2014. As of June 30, 2015, AMVI successfully delivered all its shipments to Tewoo and generated revenue of P238.6 million. There were no agreements entered with Tewoo for the sale of nickel for the period ended June 30, 2015 and years ended December 31, 2013 and 2012.

(c) Hongkong Yinyi Mineral Investment Limited

On June 2, 2015, AMVI entered into three offtake agreements with Hongkong Yinyi Mineral Investment Limited ("Yinyi"), a company incorporated under the law of Hongkong for the sale of nickel ore located within the municipalities of Tubay, Santiago and Jabongga in the province of Agusan del Norte. Of these agreements, two pertain to limonite shipments and one for saprolite shipment of 55,000 WMT each. These agreements state the minimum moisture, nickel and iron content that the Company should deliver.

On June 25, 2015, AMVI entered into two offtake agreements with Yinyi for the sale of its nickel saprolite ore involving two shipments of 55,000 WMT each with a minimum moisture and nickel content of 33-35% and 1.5%, respectively.

All of these agreements state that the title and risk of loss or damage shall pass once the nickel ores are progressively delivered at the mine site.

As of June 30, 2015 and June 2014, AMVI generated revenue from Yinyi of P266 million and nil, respectively. There were no agreements entered with Yinyi for the sale of nickel for the years ended December 31, 2014, 2013 and 2012.

AMVI is currently planning to ramp up its nickel direct shipping ore operations from a previously stated goal of 2.5 million WMT per year to 5 million WMT through 2016 once it secures an amended and expanded Environmental Compliance Certificate and Declaration of Mining Project Feasibility with the DENR.

24.5 Other Agreements

(a) Definitive Agreement

On December 11, 2013, the Parent Company entered into an Investment Agreement relating to the proposed investments (the Transactions) by Prime Resources Holdings, Inc. (PRHI), a wholly-owned subsidiary of Prime Asset Ventures, Inc. (PAVI). The Investment Agreement comprising the Transactions, set out the terms of PRHI's investment in the Parent Company and its subsidiaries, the various agreements, timing, conditions and corporate actions necessary to effect the Transactions. To enable and support the issuance of Parent Company shares equivalent to 68.42% equity interest to PRHI, the Parent Company filed an application for amendment of its Articles of Incorporation with the Philippine Securities and Exchange Commission (SEC) providing for the increase in the authorized capital stock from One Hundred One Million Pesos (Php101,000,000) divided into Fifty Million Five Hundred Thousand (50,500,000) Class A Shares and Fifty Million Five Hundred Thousand (50,500,000) Class B Shares to Five Hundred Million Pesos (Php500,000,000) divided into Fifty Million Five Hundred Thousand (50,500,000) Class Shares and Four Hundred Forty Nine Million Five Hundred Thousand (449,500,000) Class B Shares (the "Capital Increase"). Refer to Note 19 for the approval of the increase in share capital.

On December 13, 2013, U.S. $2 million was advanced by PRHI to the Parent Company as partial of PRHI's proposed investment in the Parent Company. As part of the Initial Closing, the parties also entered into a Shareholder Agreement at the time of the Initial Closing, which provides for, among other things, certain shareholder protections for TVI International Marketing (TVIIM), shareholder of TVIRD, including anti-dilution protections, minority voting requirement in certain circumstances and spending controls.

An amount of U.S. $11.35 million was placed in an escrow account to satisfy certain additional amounts to be invested by PRHI in subsequent closing.

On January 10, 2014, shortly after the approval of the Philippine SEC of an increase in the authorized capital stock of the Parent Company, the amount placed in escrow account was released to repurchase all of the Parent Company's outstanding Class A Shares in consideration of the payment by the Parent Company to the Class A Holders of the Class A Shares Repurchase Price.

The Transactions occurred in multiple closing with the final closing in July 2014, and the Parent Company received total proceeds of U.S.$11.85 million, before tax and related fees. All funds received as a result of the Transactions have been used by the Parent Company for working capital purposes and to further advance various projects, as well as to undertake certain restructuring transactions affecting its subsidiaries and affiliates including the repurchase of all outstanding Class A shares of the Parent Company.

(b) Exploration and Head of Terms Agreement

(i) In February 2010, the Parent Company entered in an agreement with an independent and unrelated third party, to conduct exploration, development and production of mineral deposits in the area known as EXPA 61, in the Greater Canatuan Tenement (GCT). Potential prospects identified lie within a 15 km radius trucking distance to the current Canatuan sulphide plant. Under the joint venture agreement, the Parent Company will hold a 70% interest, while the remaining 30% interest will be held by the independent third party. The Parent Company will act as the operator. The partners will fund an exploration program for a year of two years amounting to a maximum of US$2 million, to be shared in accordance with their interests in the joint venture. There are still no exploration costs incurred in relation to GCT.

(ii) On February 1, 2011, the Parent Company and Rock Energy Corporation ("Rock Energy") entered into a Head of Terms Agreement preparatory to entering into an unincorporated Joint Venture Agreement for the exploration up to resource definition of six coal blocks.

Thereafter on April 15, 2011, the Parent Company and Rock Energy executed a Joint Venture Agreement for the exploration and development of the aforementioned coal blocks. The Joint Venture interest will be 80% for the Parent Company and 20% Rock Energy, with Rock Energy acting as operator for the Exploration Stage and the Parent Company acting as the operator for development and production. The joint venture partners will fund an exploration program for a period of two years to be shared in accordance with their interests in the Joint Venture.

The Parent Company has no joint venture transactions and balances with Rock Energy as at and for the six months ended June 30, 2015 and for the years ended December 31, 2014 and 2013.

(iii) On February 17, 2012, the Parent Company and Paraiso Consolidated Mining Corporation ("PACOMINCO") entered into a Head of Terms Agreement (HOA) preparatory to entering into an unincorporated Joint Venture Agreement for the exploration of 1,620 hectares of mineral property located in Monkayo, Compostela Valley.

Pacominco entered into a Joint Operating Agreement with the Philippine Mining Development Corporation (PMDC) for the exploration and operation of 1,620 hectares of mineral property in Monkayo, Compostela Valley. The Parent Company expressed its intent to invest in equity of Pacominco and enter into an operating/joint venture agreement with Pacominco. The Parent Company is in the process of conducting legal and technical due diligence in the property and of as to date has acquired 10% equity in Pacominco. If the technical and legal due diligence yield positive results, the Parent Company will decide if it will proceed with spending more money on the property.

On July 27, 2012, the Parent Company and Pacominco amended the terms of the HOA specifically the provision on the legal and technical due diligence and the issue of access of the Parent Company to the property in the conduct of its technical due diligence.

On October 5, 2012, the Parent Company issued a formal notice to terminate the exploration, development, utilization and operation of Pacominco's property as contained in the HOA as entered into by both parties.

There are no outstanding balances for this project as at June 30, 2015, December 31, 2014, 2013 and 2012.

(iv) As approved by the Parent Company's Board of Directors on July 4, 2012, the Parent Company, TVI Pacific Inc., and Mindoro Resources Ltd. (Mindoro) entered into an HOA dated July 6, 2012, which sets out the terms of various transactions between the parties including joint venture arrangements on mining properties in the Philippines. Pursuant to the HOA, the parties signed and executed agreements creating the following companies on September 28, 2012:

Agata Mining Ventures, Inc. (AMVI)

The Parent Company has the right to earn a 60% interest in the AMVI upon commencement of commercial production ("Mining Operation"), subject to (i) the Parent Company having expended a minimum of C$2 million within 12 months of the date of the agreement, and (ii) commercial production at Agata having commenced within 3 years of the date of the agreement. Further, the Parent Company is required to fund all expenditures associated with the establishment of the mining operations. Beginning October 1, 2014, the Parent Company fulfilled the conditions that merited 60% ownership of AMVI (Note 2.2).

Agata Processing, Inc. (API)

The Parent Company has the right to earn a 60% interest in the API upon delivery of a definitive feasibility study respecting nickel processing at Agata (including pilot-scale metallurgical testing, third-party engineering studies and documentation), subject to the Parent Company having expended a minimum of C$2 million within 12 months of the date of the agreement and completing the definitive feasibility study within 4 years of the date of the agreement. In addition, the Parent Company is required to fund all required expenditures associated with the preparation of the definitive feasibility study.

As at the current date, the Parent Company has completed its requirement to spend a minimum of C$2 million and has earned 45% of shares in API, which remain in escrow by Minimax Mineral Exploration Corporation and MRL Nickel Philippines Inc.

Pan de Azucar Mining Ventures, Inc. (PDAMVI)

The Parent Company has the right to earn a 60% interest in the PDAMVI by: (i) making minimum aggregate expenditures of C$2 million in respect of the Pan de Azucar mining project prior to the first anniversary of the date that a declaration of mining project feasibility is issued in respect of that project (the "Feasibility Declaration Date"); and (ii) sole funding the Pan de Azucar mining project to the point of commercial production, provided commercial production is achieved on or prior to the third anniversary of the Feasibility Declaration Date. The agreement contemplates that the Parent Company will make expenditures in respect of the Pan de Azucar mining project in an aggregate amount of not less than C$500,000, prior to the date that is 12 months following the date of that agreement, as the Parent Company considers appropriate in its discretion (which may include the payment of occupation fees and amounts associated with minimum work programs required by applicable governmental authorities in the Philippines under the terms and conditions of the applicable Pan de Azucar title documents), with any such expenditures being creditable against the C$2 million of aggregate aforementioned expenditures.

Pan De Azucar Processing, Inc. (PDAPI)

The Parent Company has the right to earn up to a 60% interest in the PDAPI in two stages as follows: (i) a 51% interest, by making minimum aggregate expenditures of C$2 million in respect of the Pan de Azucar processing project on or prior to the first anniversary of the date that a declaration of mining project feasibility is issued in respect of the processing project (the "Processing Declaration Date"); and (ii) a 9% interest by making additional minimum aggregate expenditures of C$3 million in respect of the processing project on or prior to the fourth anniversary of the Processing Declaration Date. The agreement contemplates that the Parent Company will make expenditures in respect of the Pan de Azucar processing project in an aggregate amount of not less than C$500,000, prior to the date that is 12 months following the date of that agreement, as the Parent Company considers appropriate in its discretion (which may include the payment of occupation fees and amounts associated with minimum work programs required by applicable governmental authorities in the Philippines under the terms and conditions of the applicable Pan de Azucar title documents), with any such expenditures being creditable against the C$2 million of aggregate expenditures noted above.

All of the companies above are incorporated in the Philippines.

As indicated, the PDAMVI and PDAPI Agreements initially contemplated that the Parent Company would make expenditures in respect of each Agreement in an aggregate amount of not less than C$500,000, prior to the date that is 12 months following the date of each Agreement, as the Parent Company considers appropriate in its discretion, with any such expenditures being creditable against the C$2 million of aggregate expenditures noted above. On June 18, 2013, the Parent Company's minimum spending commitments pursuant to each Agreement were extended by one year, from December 31, 2013, to December 31, 2014. As at June 30, 2015, however, the minimum spending commitments had not been met. The Parent Company requested in December 2014 to file an extension of the exploration period with MGB and as at the current reporting date, both the request to extend the exploration period and the assignment of the MPSA from Minimax to the PDA joint ventures continues to be pending.

The total amount spent by the Parent Company for the above agreements as at June 30, 2015 is P250.8 million (December 31, 2014 - P238.7 million; December 31, 2013 - P269.8 million and December 31, 2012 - P55.1 million) (Note 12).

(c) Leases

The Parent Company is a party to a lease of its office space. Under the term of these leases, the Parent Company was required to make advance deposits, which are shown as part of other non-current assets in the statement of financial position.

The Parent Company's rental commitment on its lease limited for periods beyond 2011 until its expiry in September 2014, is dependent on future agreement between the parties.

EDCO also entered into various lease contracts for its office space, warehouse and staff house for one-year and three-year lease terms, renewable upon mutual agreement of both parties. Rent expense arising from these agreements amounted to P589 (June 30, 2014 - P619; December 31, 2014 - P1,208; December 31, 2013 - P1,339; December 31, 2012 - P1,034) and is presented as part of cost of sales and services and operating expenses.

Rent expense under operating expenses (Note 21) includes rental for heavy equipment by AMVI that were used in pre-operating activities.

As of June 30, 2015, AMVI does not have any rent expense capitalized as part of mining claims and deferred costs (December 31, 2014 - P1,269) and the total rent expense recorded as part of cost of sales amounted to P925 (June 30, 2014 - P531; December 31, 2014 - P2,905; December 31, 2013 - P47,668; December 31, 2012 - P46,639) which relates to the rental of heavy equipment.

The minimum future rental commitments on the above leases are as follows:

	June 30,	December 31,		
	2015	2014	2013	2012
Not later than 1 year	1,165	2,323	3,001	5,105
Later than 1 year but not later than 3 years	-	2,283	-	3,086

Note 25 - Foreign currency denominated financial assets and liabilities

The Company's foreign currency denominated financial assets and liabilities are as follows:

Currency	Current assets	Liabilities	Net foreign currency assets (liabilities)	Exchange Rate	Peso equivalent
June 30, 2015					
US Dollar	10,661	10,080	581	45.20	26,261
Canadian Dollar	682	-	682	37.48	25,261
	11,343	10,080	1,263		51,522
December 31, 2014					
US Dollar	897	12	885	44.72	39,577
Canadian Dollar	505	-	505	38.40	19,392
Australian Dollar	-	1	(1)	36.21	(36)
	1,402	13	1,389		58,933

Currency	Current assets	Liabilities	Net foreign currency assets (liabilities)	Exchange Rate	Peso equivalent
December 31, 2013					
US Dollar	5,257	15	5,242	44.41	232,797
Canadian Dollar	-	46	(46)	41.72	(1,919)
Australian Dollar	-	1	(1)	39.46	(39)
Euro	-	2	(2)	60.82	(122)
	5,257	64	5,193		230,717
December 31, 2012					
US Dollar	16,363	10,063	6,300	41.05	258,615
Canadian Dollar	932	5,949	(5,017)	41.39	(207,654)
Australian Dollar	-	6	(6)	42.67	(256)
	17,295	16,018	1,277		50,705

Net foreign exchange gains (losses) credited (charged) to profit or loss consists of:

		For the six months ended June 30		For the years ended December 31,		
	Note	2015	2014	2014	2013	2012
Realized						
Cash and cash equivalents	23	(2,369)	(4,001)	(9,424)	10,510	(2,959)
Borrowings		-	-	434	(1,666)	23,748
Other financial assets and liabilities	23	(90)	(4,456)	(907)	(19,154)	(52,754)
		(2,459)	(8,457)	(9,897)	(10,310)	(31,965)
Unrealized						
Cash and cash equivalents	23	1,292	5	186	572	6,014
Borrowings		(4,577)	-	(442)	5	7,645
Other financial assets and liabilities	23	(398)	(44)	5,656	(7,349)	20,784
		(3,683)	(39)	5,400	(6,772)	34,443
		(6,142)	(8,496)	(4,497)	(17,082)	2,478

TVI Resource Development Phils., Inc. and Subsidiaries

Schedule of Philippine Financial Reporting Standards
Effective Standards and Interpretations as at June 30, 2015

The following table summarizes the effective standards and interpretations as at June 30, 2015:

		Adopted	Not Adopted	Not Applicable**
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary				✓
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	✓		
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	✓		
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters	✓		
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters	✓		
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations	✓		
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources	✓		

		Adopted	Not Adopted	Not Applicable**
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✓		
	Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in PFRS 9			✓
PFRS 8	Operating Segments	✓		
PFRS 9	Financial Instruments	✓		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✓		
	Reissue to incorporate a hedge accounting chapter and permit the early application of the requirements for presenting in other comprehensive income the 'own credit' gains or losses on financial liabilities designated under the fair value option without early applying the other requirements of PFRS 9			✓
	Amendment to PFRS 9, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition	✓		
PFRS 10	Consolidated Financial Statements	✓		
	Amendments to PFRS 10, 12 and PAS 27: Consolidation for investment entities	✓		
	Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	✓		
	Amendments regarding the application of the consolidation exception	✓		
PFRS 11	Joint Arrangements	✓		
	Amendments regarding the accounting for acquisitions		✓	

		Adopted	Not Adopted	Not Applicable**
	of an interest in a joint operation			
PFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendments regarding the application of the consolidation exception	✓		
PFRS 13	Fair Value Measurement	✓		
PFRS 14	Regulatory Deferral Accounts			✓
PFRS 15	Revenue from Contracts with Customers	✓		
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments resulting from the disclosure initiative	✓		
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets			✓
PAS 16	Property, Plant and Equipment	✓		
	Amendments regarding the clarification of acceptable methods of depreciation and amortization	✓		
	Amendments bringing bearer plants into the scope of PAS 16			✓
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Revised)	Employee Benefits	✓		
	Amendments to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service	✓		

		Adopted	Not Adopted	Not Applicable**
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs	✓		
PAS 24 (Revised)	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements	✓		
	Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements	✓		
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
	Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	✓		
	Amendments regarding the application of the consolidation exception	✓		
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 31	Interests in Joint Ventures	✓		
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities			✓
	Amendments to PAS 32: Financial Instruments Assets and Liability Offsetting			✓
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting			✓
PAS 36	Impairment of Assets	✓		
	Amendment to PAS 36: Impairment of assets - Recoverable amount disclosures	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		

		Adopted	Not Adopted	Not Applicable**
	Amendments regarding the clarification of acceptable methods of depreciation and amortization	✓		
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			✓
	Amendments to Philippine Interpretation IFRIC - 9 and PAS 39: Embedded Derivatives	✓		
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendment to PAS 39: Financial Instruments: Recognition and Measurement - Novation of Derivatives and Hedge Accounting			✓
	Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in PAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when PFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception			✓
PAS 40	Investment Property			✓
PAS 41	Agriculture			✓
	Amendments bringing bearer plants into the scope of PAS 16			✓
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	✓		
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests arising from Decommissioning,	✓		

		Adopted	Not Adopted	Not Applicable**
	Restoration and Environmental Rehabilitation Funds			
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 8	*Scope of PFRS 2*			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment			✓
IFRIC 11	PFRS 2- Group and Treasury Share Transactions			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	✓		
IFRIC 21	Levies	✓		
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-12	Consolidation - Special Purpose Entities			✓
	Amendment to SIC - 12: Scope of SIC 12			✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
SIC-15	Operating Leases - Incentives			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the	✓		

		Adopted	Not Adopted	Not Applicable**
	Legal Form of a Lease			
SIC-29	Service Concession Arrangements: Disclosures			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

** These standards and interpretations are already effective as at January 1, 2015 but will never be relevant/applicable to the Company or are currently not relevant to the Company because it has currently no related transactions.

TVI Resource Development Phils., Inc. and Subsidiaries

Consolidated Financial Statements with Supplementary Schedules
for the Securities and Exchange Commission
June 30, 2015

Table of Contents

First Section

Second Section

TVI Resource Development Phils., Inc. and Subsidiaries

Schedule A - Financial Assets
As at June 30, 2015
(All amounts in thousand Philippine Peso)

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at end of reporting period	Income received and accrued
N/A	N/A	N/A	N/A	N/A

TVI Resource Development Phils., Inc. and Subsidiaries

Schedule B - Amounts Receivable from Directors, Officers,
Employees, Related Parties and Principal Stockholders
(Other than Related Parties)
As at June 30, 2015
(All Amounts in thousand Philippine Peso)

Name of employee	Balance at beginning of period	Additions	Amounts collected	Amounts written-off	Current	Not Current	Balance at end of period
Jake Foronda	-	1,000	(333)	-	667	-	667
Eugene Mateo	634	-	(49)	-	585	-	585
Kristine Catindig-Borras	65	12	(12)	-	65	-	65
Clifford M. James	60	-	-	-	60	-	60
Michael G. Regino	-	59	(13)	-	47	-	47
Emmanuel S. Cayton	-	45	-	-	45	-	45
Kaycee Crisostomo	-	43	(22)	-	21	-	21
	759	1,159	(429)	-	1,490	-	1,490

TVI Resource Development Phils., Inc. and Subsidiaries

Schedule C - Amounts Receivable from Related Parties
which are eliminated during the Consolidation Of Financial Statements
As at June 30, 2015
(All amounts in thousand Philippine Peso)

Name and Designation of Debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written-off	Current	Not Current	Balance at end of period
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

TVI Resource Development Phils., Inc. and Subsidiaries

Schedule D - Intangible Assets - Other Assets
As at June 30, 2015
(All Amounts in thousand Philippine Peso)

Description	Beginning balance	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending balance
Mining claims	667,115	21,958	-	(11,483)	-	677,590
	667,115	21,958	-	(11,483)	-	677,590

TVI Resource Development Phils., Inc. and Subsidiaries

Schedule E - Long Term Debt
As at June 30, 2015
(All Amounts in thousand)

Title of issue and Type of obligation	Amount authorized by indenture	Amount shown under caption "current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term Debt" in related balance sheet
Loan	$8,000	$1,600	$6,400
Loan	P4,691	P1,061	P3,630

TVI Resource Development Phils., Inc. and Subsidiaries

Schedule F - Indebtedness to Related Parties
(Long-Term Loans from Related Companies)
As at June 30, 2015

Name of related party	Balance at beginning of period	Balance at end of period
N/A	N/A	N/A

TVI Resource Development Phils., Inc. and Subsidiaries

Schedule G - Guarantees of Securities of Other Issuers
As at June 30, 2015

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
N/A	N/A	N/A	N/A	N/A

TVI Resource Development Phils., Inc. and Subsidiaries

Schedule H - Capital Stock
As at June 30, 2015

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as shown under related balance sheet caption	Numbers of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common stock	500,000,000	122,409,088	N/A	N/A	5	N/A

TVI Resource Development Phils., Inc. and Subsidiaries

Additional Components of Financial Statements
Schedule of Financial Soundness Indicators
As at and for years ended June 30, 2015 and 2014

	2015	2014
Current ratio	2.01	3.28
Debt to equity	0.48	0.13
Debt to asset ratio	0.32	0.11
Return on assets	1.81%	(7.4%)

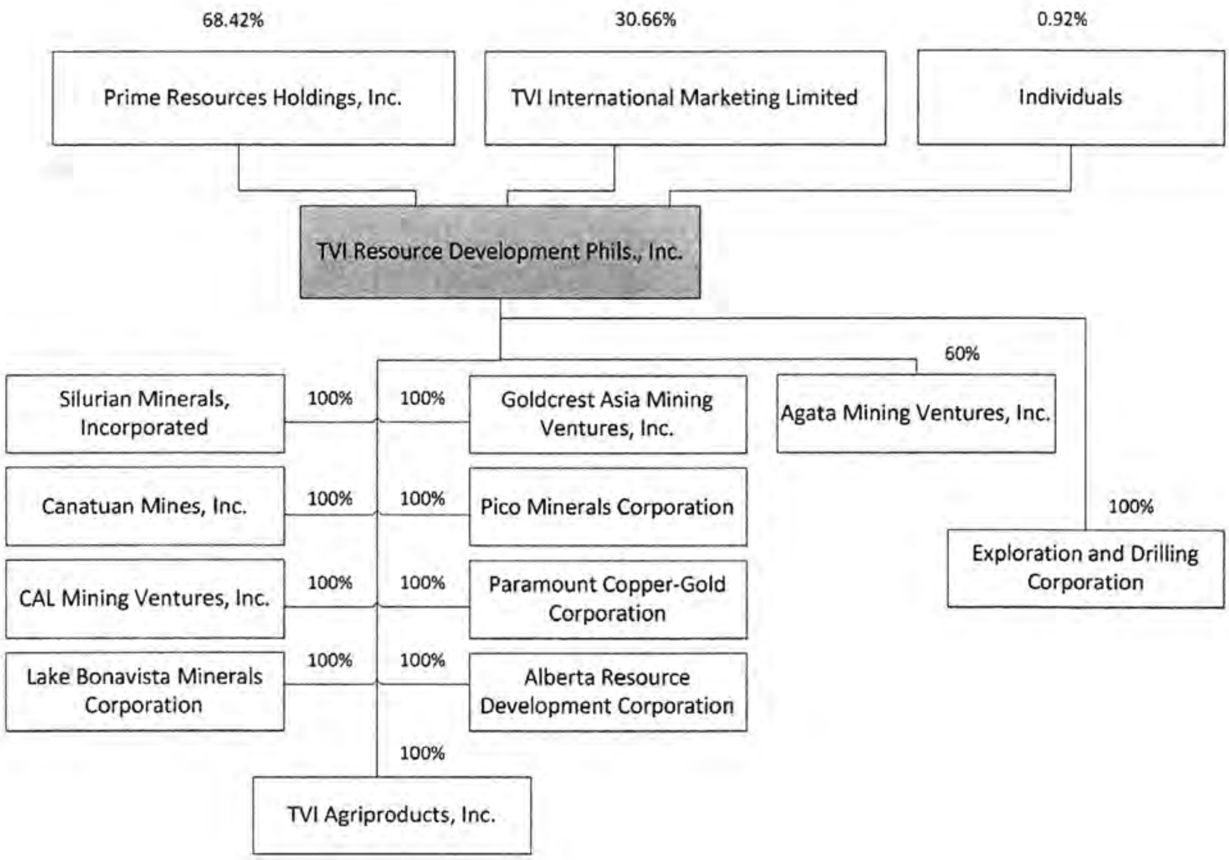
TVI Resource Development Phils., Inc. and Subsidiaries

Additional Components of Financial Statements
Use of IPO Proceeds per Prospectus
As at June 30, 2015
(All Amounts in thousand Philippine Peso)

Nature of disbursement	Per prospectus	Application of proceeds
Balabag expenditures	1,138,913	-

TVI Resource Development Phils., Inc. and Subsidiaries

Additional Components of Financial Statements
Ownership Structure
As at June 30, 2015



Annex 68-C

TVI Resource Development Phils., Inc. and Subsidiaries

Schedule of Reconciliation of Parent Company's Retained Earnings Available for Dividend Declaration
For the year ended June 30, 2015
(All amounts in Philippine Peso)

Unappropriated retained earnings, beginning		299,754
Adjustments:		
(see adjustments in previous year's Reconciliation)		-
Unappropriated Retained Earnings, as adjusted, beginning		299,754
Net Income based on the face of AFS	55,194	
Less: Non-actual/unrealized income, net of tax		
Equity in net income of associate/joint venture	-	
Unrealized foreign exchange gain - net (except those attributable to cash and cash equivalents)	-	
Unrealized actuarial gain	-	
Fair value adjustment (M2M gains)	-	
Fair value adjustment of Investment Property resulting to gain	-	
Adjustment due to deviation from PFRS/GAAP - gain	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Sub-total	55,194	
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)	-	
Adjustment due to deviation from PFRS/GAAP - loss	-	
Loss on fair value adjustment of investment property (after tax)	-	
Sub-total	55,194	
Net Income Actual/Realized		55,194
Unappropriated Retained Earnings, as adjusted, ending		354,948
Add (Less):		
Dividend declarations during the year	-	
Appropriations of retained earnings	250,000	
Reversal of appropriations	-	
Effects of prior period adjustments	-	
Treasury shares	(30,813)	
		(280,813)
Total retained earnings, Ending available for dividend declaration		346,599

TVI Resource Development (Phils.) Inc.

22nd Flr. BDO Equitable Tower
8751 Paseo de Roxas
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Main 632.728.8491
Fax 632.728.8515
www.tviphilippines.com

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of TVI Resource Development Phils., Inc. is responsible for the preparation and fair presentation of the consolidated financial statements as at June 30, 2015, December 31, 2014 and for the six months ended June 30, 2015 and 2014 (with comparative figures and notes as at December 31, 2013 and 2012 and for the years ended December 31, 2014, 2013 and 2012) in accordance with the prescribed financial reporting framework indicated, including the additional components attached therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submit the same to the stockholders.

Isla Lipana & Co. (a PwC member firm), the independent auditors, appointed by the stockholders, have examined the financial statements of the company in accordance with Philippine Standards on Auditing and in its report to the stockholders, have expressed its opinion on the fairness of presentation upon completion of such examination.

CLIFFORD M. JAMES
Chairman of the Board

EUGENE T. MATEO
President

MARYKNOLL B. ZAMORA
Chief Financial Officer

Signed this 7th day of August 2015

REPUBLIC OF THE PHILIPPINES)
Makati City) S.S.

Before me, a notary public in and for the city named above, personally appeared:

Name	Government-issued ID No.	Place/ Date of Issuance
Clifford M. James	Canada Passport BA388598	Calgary/August 9, 2011
Eugene T. Mateo	Philippine Passport No. EB9425255	DFA NCR South/ 22 October 2013
Maryknoll B. Zamora	Philippine Passport No. EB7767110	DFA Manila/ April 2, 2013

who was identified by me through competent evidence of identity to be the same person described in the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this 17 day of September, 2015 in Makati City, Philippines.

ATTY. JOSELINA PAULA A. GABRIEL
Notary Public
Until December 31, 2015
Roll of Attorneys No. 60663
IBP Lifetime Member No 010647
PTR No. 4781554 1/30/2015 Makati City
Notary Commission No M 444
TIN No. 276-796-846
MCLE Compliance No IV-0011446/01-15-13

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