RISK MANAGEMENT SYSTEM

Overall risk management philosophy of the Company

Risk management is a fundamental part of the Company's strategy and effective corporate governance. The company adopts a philosophy aimed at maximizing business opportunities and minimizing adverse outcomes, thereby enhancing shareholder value by effectively balancing risk and reward.

The Directors review the effectiveness of the risk management system and its adequacy.

The Board of Directors, the Audit Committee and Management meet regularly to identify key risk areas and performance indicators and monitor these factors with due diligence and to assess and manage risks involved in the businesses of the Company.

Risk Policy

(a) Company

General description of the Company's risk management policy, setting out and assessing the risk/s covered by the system, along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Mining Operation Risks By its nature, the business of mineral exploration contains risks. For its part, exploration is a speculative endeavor and can be hampered by the unpredictable nature of mineral deposits, particularly with respect to predicated extrapolations to depth from known mineralization, and adverse ground conditions, flooding, inclement weather, poor equipment availability, force majeure circumstances and cost overruns from unforeseen events. Resource estimates themselves are necessarily imprecise and depend upon interpretations that can prove to be inaccurate. Any future successful mining operation will depend on exploration success, mineral resource calculations, appropriate economic circumstances, ore reserve calculations, successful statutory planning approvals, mine design and the construction of efficient processing facilities, competent operation and management and efficient financial management. Any future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many	The Board and the Audit Committee are responsible for determining the Company's risk profile, overseeing the Company's risk management framework, reviewing the Company's key risks mitigation strategies and ensuring effectiveness of risk management policies and procedures. The Management has the primary responsibility of identifying, managing and reporting the key risks faced by the Company. Management is also responsible for ensuring that the risk management framework is effectively implemented within all areas of the respective business units. The Company's Board of Directors, the Audit Committee and Management meet regularly to identify key risk areas and performance indicators and monitor these factors with due diligence to enable the Company to anticipate and prepare for possible threats to its operational and financial viability.	The identification and management of risk reduce the uncertainty associated with the execution of the Company's business strategies and allow the Company to maximize opportunities that may arise, thereby enhancing shareholder value by effectively balancing risk and reward.

other factors beyond the control of the Company. Real Estate Operation Risks The Company's real estate operation may be affected by factors, including, but not limited to the following: ▪ Failure to secure the necessary permits for development; ▪ Failure to finish the development due to disagreement with the contractor or the developer; and ▪ Failure to sell the constructed and finished development due to product acceptance, sudden economic downturn, or political instability.		

(b) Group

General description of the Group's risk management policy, setting out and assessing the risk/s covered by the system, along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Financial Risks The main risks arising from the Group's financial assets and liabilities are foreign exchange, interest rate, market, liquidity, access to financing resources and increased credit risks.	Risks are properly identified, evaluated and managed, specifically in the areas of managing credit, market, liquidity, access to financing resources and other risks. Financial reports must comply with established internal policies and procedures, pertinent accounting and auditing standards, and other regulatory requirements.	To manage and report exposure to such risks.
Economic Risks Changes in domestic, regional and global economic conditions may have a material adverse effect on the demand for the Company's business (mining and real estate).	The Company's planning and management review processes involve the periodic monitory of budgets and expenses.	To minimize the risk of over investment.
Competitive Risks The real estate market in the Philippines is highly competitive as new players enter the market and may limit market share.	The Company continues to identify and assess the evolving customer needs and preference.	To be able to compete and strengthen customer loyalty.
Regulatory Risks The Group's operations on mining and real estate are subject to extensive government regulations which may impact or limit the flexibility to respond to market conditions, competition, new technologies or changes in cost structures.	Regular participation in discussions and consultations with the respective regulatory authorities and the industry to propose changes and provide feedback on regulatory reforms and development.	To avoid any material adverse effect on the Group's financial performance and operations.

Control System Set Up

(a) Company

Description of the control systems set up to assess, manage and control the main issue/s faced by the Company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Operational Risks	Once risks have been identified, assessment must be made on the potential severity of negative impact (such as damage or loss) and the probability of occurrence.	Risk assessment should produce such information for the management to understand that the primary risks are easy to understand and that the risk management decisions may be prioritized. The most widely accepted formula for risk quantification is: Rate (or probability) of occurrence multiplied by the impact of the event equals risk magnitude.

(b) Group

Description of the control systems set up to assess, manage and control the main issue/s faced by the Group:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Financial, Economic, Competitive & Regulatory Risks	Once risks have been identified, assessment must be made on the potential severity of negative impact (such as damage or loss) and the probability of occurrence.	Since the impact of risk is not easy to estimate since it is often difficult to estimate the potential loss in the event of risk occurrence, it is absolutely necessary to periodically re-assess risks and intensify/relax mitigation measures, or as necessary. Potential risk treatment techniques include: ▪ Avoidance (eliminate, withdraw from or not become involved) ▪ Reduction (optimize – mitigate) ▪ Sharing (transfer – outsource or insure) ▪ Retention (accept and budget)

(c) Committee

The committee in charge of laying down and supervising these control mechanisms:

Committee/Unit	Control Mechanism	Details of its Functions
Audit Committee	Provide oversight over management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company.	Regular receipt from management of information on risk exposures and risk management activities.