

**PHILIPPINE MINING DEVELOPMENT CORPORATION (PMDC)**  
**Validated 2021 Performance Scorecard**

FINANCE	Component				Targets	Submission		GCG Validation		Supporting Documents	Remarks
	Objective/Measure		Formula	Wt.	Rating System	2021	Actual	Rating	Actual	Rating	
	SO 1	Enhanced Company Profitability									
	SM 1	EBITDA	Earning Less Operating Expenses (excluding interest, tax, depreciation and amortization)	15.00%	Actual over Target	₱12.12 M	₱81.82 M	-	₱77.17 M	15.00%	<ul style="list-style-type: none"><li>• 2021 PMDC EBITDA</li><li>• 2021 COA Audited Financial Statement (SCI)</li></ul>
Subtotal			15.00%						15.00%		
STAKEHOLDERS	SO 2	Enhanced Partner-Operator Capacity									
	SM 2	Percentage of Planned/ Required Mining Activities Completed Per Project	Σ Actual number of completed mining activities per project Σ Planned/ required mining activities completed per project	10.00%	Actual over Target	100%	100% (22/22)	-	100% (16/16)	10.00%	<ul style="list-style-type: none"><li>• LTs from Mabuhay Filcement Inc. (MFI) re: Quarterly Progress Reports and Project Status of San Fernando Limestone Project</li><li>• Follow- up LTs to Century Peak Corporation (CPC) re submission of Quarterly Reports</li><li>• 1<sup>st</sup> Quarter MRFC – Pinamungahan Property</li><li>• Certificate of Approvals – AEPEP &amp; SDMP</li><li>• LT to CPC re Status of Pinamungahan Limestone Project</li><li>• LT to MFI re Status of Declaration of Mining Project Feasibility – Dinagat Parcel 1 &amp; 2B Projects</li><li>• LT to AAM-PHIL Natural Resources and Dev't Corp.</li></ul>

STAKEHOLDERS

Component				Targets	Submission		GCG Validation		Supporting Documents	Remarks													
Objective/Measure		Formula	Wt.	Rating System	2021	Actual	Rating	Actual	Rating														
										<ul style="list-style-type: none"><li>• Energy Consumption Report</li><li>• Monthly Report on Production, Sales Inventory of Metallic Minerals &amp; Employment Data</li><li>• Ore Tansport Permit &amp; Mineral Ore Export Permit</li></ul>													
SM 3	Percentage of Ore Shipment by Operators Accepted by Buyers	$\frac{\sum \text{Ore shipment accepted by buyers}}{\sum \text{Ore shipment}}$	5.00%	Actual over Target	100%	100%	-	100%	5.00%	<ul style="list-style-type: none"><li>• Transmittal Letter re CY 2021 Shipments of AAM-Phil Natural Resources Exploration and Development Corporation for Dinagat Parcels 1 and 2B Nickel - Chromite Projects</li><li>• Ore Transport Permits</li><li>• Mineral Ore Export Permits</li></ul>	A total of seven (7) shipments were made by AAM-Phil for CY 2021; five (5) shipments from Dinagat Parcel 1 and two (2) from Dinagat Parcel 2B.												
Subtotal			15.00%						15.00%														
SO 3	Sustain Progressive Communities Through Responsible Mining																						
SM 4	Percentage of Actual CSR Beneficiaries	$\frac{\sum \text{Actual number of CSR beneficiaries}}{\sum \text{Target CSR beneficiaries}}$	10.00%	Actual over Target	6,000	9,118	-	7,390	10.00%	<ul style="list-style-type: none"><li>• List of Beneficiaries</li><li>• Attendance Sheets</li></ul>	<div>Breakdown of the tabulation as follows:<table><tr><th>CSR Activity</th><th>No. of Beneficiaries</th></tr><tr><td>Health</td><td>706*</td></tr><tr><td>Education</td><td>4,462</td></tr><tr><td>Environment</td><td>2,162</td></tr><tr><td>Opportunities</td><td>60**</td></tr><tr><td>Total</td><td>7,390</td></tr></table><p>* 131 reported beneficiaries without signatures.</p><p>** Beneficiaries under opportunities to earn counted only once.</p></div>	CSR Activity	No. of Beneficiaries	Health	706*	Education	4,462	Environment	2,162	Opportunities	60**	Total	7,390
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Objective/Measure	Formula	Wt.	Rating System	2021	Actual	Rating	Actual	Rating			
SM 5	Percentage of Satisfied Customers										
	a. CSR Beneficiaries	No. of respondents with a rating of at least <u>satisfactory</u> Total number of respondents	2.50%	Actual over Target  If less than 80% = 0%	90%	91.33%	-	91.92%	2.50%	• CSS 2021 Final Report  • Ten (10) samples of Accomplished Questionnaire	CSS results were segregated based on customer segments and the 5% allocated weight was divided equally.  For the CSR Beneficiaries segment, while PMDC used the 2018 questionnaire instead of the 2020, it complied with all other requirements under the Enhanced Standard Methodology and is considered substantially compliant.  CSS results for Partner-Operators is zero-rated for failing to include other customers in the 2021 CSS. Part IV (C) of the for the Conduct of the Customer Satisfaction Survey provides that “total universe should be targeted as survey respondents from customer types with total primary customers of less than 100.”
	b. Partner-Operators	No. of respondents with a rating of at least <u>satisfactory</u> Total number of respondents	2.50%	Actual over Target  If less than 80% = 0%	90%			0%	0%		
Subtotal			15.00%					12.50%			

INTERNAL PROCESS	Component				Targets	Submission		GCG Validation		Supporting Documents	Remarks
	Objective/Measure	Formula	Wt.	Rating System	2021	Actual	Rating	Actual	Rating		
	SO 4 Develop the Diwalwal Mining Area and other Mining Tenements										
INTERNAL PROCESS	SM 6	Percentage of Planned Activities Completed Relative to the Board-approved Diwalwal Action Plan	$\Sigma$ Activities <u>Implemented</u> Planned Activities as per Board-Approved Action Plan	10.00%	Actual over Target	100%	100% (6/6)	-	100% (5/5)	10.00%	<ul style="list-style-type: none"> <li>• Updates on the Diwalwal Economic Zone and Jewelry Park Project – 19 Nov 2021 &amp; 15 Dec 2021</li> <li>• Certificate of Attendance – Cathrine Tzaris J. Pagatpatan</li> <li>• Post Training Report – 20 October 2021</li> <li>• Justification on the non-implementation of EGGA</li> <li>• PMDC Report on JOA's activities at Victory Tunnel and of their Exploration Drilling at DMRA for the past CY 2021</li> </ul> <p>The target activity on Engineering Geological and Geohazard Assessment (EGGA) of the proposed ecozone site is excluded from the target activities.</p> <p>PMDC did not proceed with the conduct of the said EGGA since the Indigenous Peoples (IPs) in the project affected area issued a resolution of Non-Consent on the proposed Ecozone Project. The approval of the IPs through the issuance of a Certification Precondition (CP) is necessary before any land development can be implemented for the ecozone project.</p> <p>PMDC is credited for completing 5 out of 5 planned activities equivalent to 100%.</p>
	SM 7	Percentage of Planned Activities completed for Exploration of Dinagat Parcel 2A as agreed with the Financial Service Provider (FSP)	$\Sigma$ Actual Activities <u>completed</u> Total activities generated	0.00	Actual over Target	100%	Attached Justification	-	Excluded	0.00%	<p>Measure excluded.</p> <p>RL Chen failed to settle its bid for Commitment Fee despite PMDC's repeated reminders and demands for payment. With this, the planned activities for the exploration of the project was not implemented which was beyond the control of PMDC.</p> <p>Further, in August 2021, Dinagat Parcel 2A was offered for bidding and Napnapan Mineral Resources, Inc. (NMRI) was the winning bidder. After NMRI fulfilled its obligations, the agreement between NMRI and PMDC was then executed on November 18, 2021. Thus, this strategic measure and its corresponding committed activities were moved to 2022.</p> <ul style="list-style-type: none"> <li>• Final Demand Letter to RL Chen dated 01 February 2021</li> <li>• Letter to RL Chen dated 24 May 2021</li> </ul>

## INTERNAL PROCESS

Component		Targets		Submission		GCG Validation		Supporting Documents		Remarks
Objective/Measure	Formula	Wt.	Rating System	2021	Actual	Rating	Actual	Rating		
SM 10	Establishment of Facilities to Protect the Environment in the DMRA	Actual Accomplishment	10.00%	Actual over Target	Establishment of Facilities: 1. Decantation Tower; 2. Material Recovery Facility; and 3. Phase 1 and 2, Main Dam Pre-engineering Studies	Establishment of Facilities: 1. Decantation Tower; 2. Construction of Project Works (Gabion) Project 3. Latrine Waterline Connection	-	Establishment of Facilities: 1. Decantation Tower; 2. Construction of Project Works (Gabion) Project 3. Latrine Waterline Connection	10.00%	<ul style="list-style-type: none"> <li>Justification on the Non-implementation of the Material Recovery Facility &amp; Phase 1 and 2 of the Pre-Engineering Studies on the Construction of the Main Dam for the year 2021.</li> <li>Decantation Tower Accomplishment Report</li> <li>Gabion Project and Latrine Project Accomplishment Report (Replacement Projects)</li> </ul> <p>Of the 3 target facilities, PMDC only completed the "Rehabilitation of the Decantation Tower" in 2021.</p> <p>The non-implementation of the said projects "was due to the urgency of the Construction of Protection Works (Gabion) Project located in Mabatas Complex, Monkayo, Davao de Oro." It was added that "to prevent any further damage caused by the continuous mass movement of unstable embankment resulting to landslide and scouring along the launder system triggered by the heavy rainfall in the Mabatas Complex, the project was carried out."</p> <p>In lieu of the deferred projects, the Latrine Waterline Connection at the Mabatas Complex was implemented to ensure the full operability of the CIP and Ball Mill Structures.</p> <p>The Gabion and the Latrine projects are considered as substitutes for the originally identified projects. Thus, PMDC is credited 100% score for this measure.</p>
<b>Subtotal</b>		<b>15.00%</b>						<b>11.25%</b>		
<b>SO 6 Improve Manpower Competence and Management Effectiveness</b>										
SM 11	Percentage of Employees with Required Competencies Met	Number of employees with required competencies <u>met</u> Total number of employees	5.00%	Actual over Target	Increase from 2020 Competency Level	49.05%	-	47.17%	5.00%	<ul style="list-style-type: none"> <li>Individual Rating Sheets</li> <li>Tabulation of Employees and respective Ratings</li> </ul> <p>25 out of 53 employees (47.17%), excluding the PMDC Chairman, met the required competencies for their position.</p> <p>This translates to 11.98% increase from PMDC's 2020 competency level of 35.19% (19 out of 54 employees).</p>

LEARNING AND GROWTH	Component				Targets	Submission		GCG Validation		Supporting Documents	Remarks
	Objective/Measure		Formula	Wt.	Rating System	2021	Actual	Rating	Actual	Rating	
	SO 7	Institutionalize the Quality Management System									
	SM 12	Compliance to Quality Standards	Milestone	5.00%	All or Nothing	ISO 9001:2015 Re-Certification	Passed	-	Stage 2 Certification Remote Audit	0%	<ul style="list-style-type: none"><li>Audit Report dated 04 December 2021 signed by Zenaida Cruz, Audit Leader</li><li>ISO 9001:2015 Certificate (Certificate Registr. No. 01 100 1432671) issued by TUV Rheinland on 13 January 2022</li></ul> <p>PMDC's ISO 9001:2015 Certificate was valid only until 14 June 2021.</p> <p>PMDC passed the Stage 2 Certification Remote Audit conducted by TUV Rheinland Philippines, Inc. on 04 December 2021.</p> <p>However, the ISO Certification issued indicates a validity from 12 January 2022 until 11 January 2025.</p>
	Subtotal			10.00%						5.00%	
TOTAL DELETED WEIGHTS			100% (10%)						78.75%		
	VALIDATED TOTAL			90.00%				78.75 / 90 = 87.50%			