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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	5
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Actual number of Directors for the year	5
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(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual /Special Meeting)	No. of years served as director
Jeremias B. Beloy	ED				October 26, 2012	Annual	18
James G. Beloy	ED				October 26, 2012	Annual	16
Premy Ann G. Beloy	ED				October 26, 2012	Annual	4
Yu Ting Guan	ID		Johnny Yu	Sept. 2006	October 26, 2012	Annual	6
Conde Claro C. Venus	ID		Martha Bachiller	1994	October 26, 2012	Annual	5
XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

- (b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

The Company adopted the Self Rating System on Corporate Governance being implemented by the Commission (SEC) through SEC Memorandum Circular No. 5, series of 2003 to assess compliance with leading practices on corporate governance. The Compliance Officer meets with the Board of Directors and top management from time to time to evaluate compliance with the Company's Manual on Corporate Governance.

- (c) How often does the Board review and approve the vision and mission? **Annually**

The Vision and Mission of the Company are reviewed by the Board on a yearly basis to ensure that business directions, objectives and strategies are consistent with the Mission and Vision of the Company.

- (d) Directorship in Other Companies

- (i) Directorship in the Company's Group²

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Jeremias B. Beloy	Jabel Corporation Discovery Mines, Inc. Horizon Mineral & Oil Corp.	Chairman Non-Executive President
James G. Beloy	Jabel Corporation	President

¹ Reckoned from the election immediately following January 2, 2012.

² The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

Premy Ann G. Beloy	Jabel Corporation	Executive
	Discovery Mines, Inc.	Executive
	Horizon Mineral & Oil Corp.	Executive

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group: **NOT APPLICABLE**

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship
Jeremias B. Beloy	Jabel Corporation	Chairman
James G. Beloy	Jabel Corporation	President
Premy Ann G. Beloy	Jabel Corp. & Discovery Mines, Incorporated	Director

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines: **Not applicable**

	Guidelines	Maximum Number of Directorships in other companies
Executive Director		
Non-Executive Director		
CEO		

(e) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Jeremias B. Beloy	100,600,000	none	0.0550%
James G. Beloy	100,000,000	none	0.0547%
Premy Ann G. Beloy	450,000	none	
TOTAL	200,450,000		

2) Chairman and CEO

(a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes No

Identify the Chair and CEO:

Chairman of the Board	JEREMIAS B. BELOY
CEO/President	JEREMIAS B. BELOY

(b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman and CEO.

	Chairman	Chief Executive Officer
Role	Chairman of the Board	President
Accountabilities	Board Function	Day to Day Company Operations
Deliverables	Resolutions/Company Rules/Appointment of Officers	Operations Reports

3) Explain how the board of directors plan for the succession of the CEO/Managing Director/President and the top key management positions? **Election and Appointment by the Board**

4) Other Executive, Non-Executive and Independent Directors - **Election and Appointment by the Board**

Does the company have a policy of ensuring diversity of experience and background of directors in the board? Please explain. **By experience and Professional Background.**

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain. **Professional Experience and Technical Profession**

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:

	Executive	Non-Executive	Independent Director
Role	Department Supervisor	Department Head	Active Board Participation
Accountabilities	Department Functions	Department Operation	Implementing of Resolution & Directive
Deliverables	Department Reports	All Section Reports	Report to Chairman

Provide the company's definition of "independence" and describe the company's compliance to the definition.

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

The Articles and By-Laws of the Company does not provide for term limits to independent directors

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

None

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors		
(ii) Non-Executive Directors		
(iii) Independent Directors		
b. Re-appointment		
(i) Executive Directors		
(ii) Non-Executive Directors		
(iii) Independent Directors		
c. Permanent Disqualification		
(i) Executive Directors		
(ii) Non-Executive Directors		
(iii) Independent Directors		
d. Temporary Disqualification		
(i) Executive Directors		
(ii) Non-Executive Directors		
(iii) Independent Directors		
e. Removal		
(i) Executive Directors		
(ii) Non-Executive Directors		
(iii) Independent Directors		
f. Re-instatement		
(i) Executive Directors		
(ii) Non-Executive Directors		
(iii) Independent Directors		
g. Suspension		
(i) Executive Directors		
(ii) Non-Executive Directors		
(iii) Independent Directors		

Voting Result of the last Annual General Meeting

Name of Director	Votes Received
JEREMIAS B. BELOY	28,568,791,892
JAMES G. BELOY	27,043,635,641
PREMY ANN G. BELOY	24,250,639,871
CONDE CLARO C. VENUS	25,623,653,148
YU TING GUAN	20,957,444,800

6) Orientation and Education Program

- (a) Disclose details of the company's orientation program for new directors, if any.
- (b) State any in-house training and external courses attended by Directors and Senior Management³ for the past three (3) years: **Seminars and Industry Programs**
- (c) Continuing education programs for directors: programs and seminars and roundtables attended during the year. **Mine Safety Programs and Seminars**

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Armando Javilinar	November 12, 2012	PMSEA Mining Symposium	Philippine Mine Safety & Environment Association (PMSEA)
Jaime Godin	November 12, 2012	PMSEA Mining Symposium	PMSEA
Joseph Acuesta	November 12, 2012	PMSEA Mining Symposium	PMSEA

B. CODE OF BUSINESS CONDUCT & ETHICS

- 1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	No Decision Allowed	No Approval Allowed	No Participation
(b) Conduct of Business and Fair Dealings	Above Board	Above Board	Company Rules
(c) Receipt of gifts from third parties	Disclosure	Disclosure	Company Rules
(d) Compliance with Laws & Regulations	Above Board	Above Board	Company Rules
(e) Respect for Trade	Above Board	Above Board	Company Rules

³ Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

Secrets/Use of Non-public Information			
(f) Use of Company Funds, Assets and Information	Above Board	Above Board	Company Rules
(g) Employment & Labor Laws & Policies	Above Board	Above Board	Company Rules
(h) Disciplinary action	Suspension/Removal	Suspension/Removal	Company Rules
(i) Whistle Blower	Reward	Reward	Reward
(j) Conflict Resolution	Refrain	Refrain	Refrain

2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees? **YES**

3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

QUARTERLY ASSESSMENT

4) Related Party Transactions – **QUARTERLY REPORTS**

(a) Policies and Procedures

Describe the company’s policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
(1) Parent Company	Quarterly, Review and Approval of Meritorious Transaction
(2) Joint Ventures	=do=
(3) Subsidiaries	=do=
(4) Entities Under Common Control	=do=
(5) Substantial Stockholders	=do=
(6) Officers including spouse/children/siblings/parents	Review & Approval by Audit Committee
(7) Directors including spouse/children/siblings/parents	=do=
(8) Interlocking director relationship of Board of Directors	=do=

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	N/A
Name of Officer/s	N/A
Name of Significant Shareholders	N/A

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	Directors/Officers/Significant Shareholders
Company	Quarterly Audit by Audit Committee
Group	=do=

5) Family, Commercial and Contractual Relations

- (a) Indicate, if applicable, any relation of a family,⁴ commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Jabel Corporation	Stockholder	Property Rental

- (b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description
NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE

- (c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company: **None**

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE

6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

⁴ Family relationship up to the fourth civil degree either by consanguinity or affinity.

	Alternative Dispute Resolution System
Corporation & Stockholders	N/A
Corporation & Third Parties	N/A
Corporation & Regulatory Authorities	N/A

C. BOARD MEETINGS & ATTENDANCE

- 1) Are Board of Directors' meetings scheduled before or at the beginning of the year? At the beginning of the year
- 2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	JEREMIAS B. BELOY	October 26, 2012	6	6	100
Member	JAMES G. BELOY	October 26, 2012	6	6	100
Member	PREMY ANN G. BELOY	October 26, 2012	6	6	100
Independent	CONDE CLARO C. VENUS	October 26, 2012	6	6	100
Independent	YU TING GUAN	October 26, 2012	6	5	95

- 3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times? **NO**
- 4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.
Per By-Laws of the Corporation, a majority of the directors shall constitute a quorum for the transaction of corporate business
- 5) Access to Information
 - (a) How many days in advance are board papers⁵ for board of directors meetings provided to the board? **30 Days**
 - (b) Do board members have independent access to Management and the Corporate Secretary? **YES**
 - (c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc? **YES**
 - (d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.
 - (e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

⁵ Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

Yes

No

Committee	Details of the procedures
Executive	Secretary
Audit	=do=
Nomination	=do=
Remuneration	=do=
Others (specify)	=do=

6) External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

Procedures	Details
N/A	

7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

Existing Policies	Changes	Reason
N/A		

D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	Fix by Remuneration committee	According to Qualification
(2) Variable remuneration	Bonus	Bonus
(3) Per diem allowance	By Remuneration committee	=do=
(4) Bonus	Annually	Annually
(5) Stock Options and other financial instruments	Per Company Income	=do=
(6) Others (specify)		

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Remuneration Committee	Base Plus Bonus	% Company Net Income
Non-Executive Directors	Remuneration Committee	Base Plus Bonus	% Company Net Income

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

Remuneration Scheme	Date of Stockholders' Approval
N/A	N/A

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	N/A	N/A	N/A
(b) Variable Remuneration	N/A	N/A	N/A
(c) Per diem Allowance	P5,000.00/board meeting	P5,000.00/board meeting	P5,000.00/board meeting
(d) Bonuses	N/A	N/A	N/A
(e) Stock Options and/or other financial instruments	N/A	N/A	N/A
(f) Others (Specify)	N/A	N/A	N/A
Total	5,000.00		

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	N/A	N/A	N/A
2) Credit granted	N/A	N/A	N/A
3) Pension Plan/s Contributions	N/A	N/A	N/A
(d) Pension Plans, Obligations incurred	N/A	N/A	N/A

(e) Life Insurance Premium	N/A	N/A	N/A
(f) Hospitalization Plan	N/A	N/A	N/A
(g) Car Plan	N/A	N/A	N/A
(h) Others (Specify)	N/A	N/A	N/A
Total			

4) Stock Rights, Options and Warrants

(a) Board of Directors

Complete the following table, on the members of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares:

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
N/A	N/A	N/A	N/A	N/A

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

Incentive Program	Amendments	Date of Stockholders' Approval
N/A	N/A	N/A

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
N/A	

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the

power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive				Set general directions and business strategies of the Company	Set the business directions of the Company	Brief the management of the general business directions	Direct business directions and strategies
Audit	2	0	1	Develop transparent financial management	Check all financial reports for compliance	Perform oversight financial management	Pre-approve all audit plans and scope
Nomination	1	1	1	Attract directors who can act as guide to the Company's growth and expansion	Pre-screen and shortlist candidates for directors of the Company	Define, Redefine duties and responsibilities	Decides if the candidate possesses the right qualifications
Remuneration	2	0	1	Compensate competent personnel adequately to retain their services	Establish a transparent procedures to develop a policy on executive remuneration	Provide oversight over remuneration of senior management and key officers	Designate amount of remuneration to attract and retain directors and officers
Others (specify)	N/A	N/A	N/A	N/A	N/A	N/A	N/A

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Jeremias B. Beloy	11-10-2012				
Member (ED)	James G. Beloy					
Member (NED)	Joel G. Beloy					
Member (ID)	N/A					
Member	N/A					

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Yu Ting Guan (ID)	11-10-2012				
Member (ED)	Premy Ann G. Beloy	11-10-2012				
Member (NED)	none					
Member (ID)	Conde Claro C. Venus	11-10-2012				
Member						

Disclose the profile or qualifications of the Audit Committee members.

Describe the Audit Committee's responsibility relative to the external auditor.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Jeremias B. Beloy	11-10-2012				
Member (ED)	James G. Beloy	11-10-2012				
Member (NED)	Premy Ann G. Beloy	11-10-2012				
Member (ID)	Conde Claro C. Venus	11-10-2012				
Member	Joel G. Beloy	11-10-2012				

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Jeremias B. Beloy	11-10-2012				
Member (ED)	James G. Beloy	11-10-2012				
Member (NED)						
Member (ID)	Yu Ting Guan	11-10-2012				
Member						

(e) Others (Specify) - **NOT APPLICABLE**

Provide the same information on all other committees constituted by the Board of Directors:

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	N/A					
Member (ED)	N/A					
Member (NED)	N/A					
Member (ID)	N/A					
Member	N/A					

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes: **NOT APPLICABLE**

Name of Committee	Name	Reason
Executive	NONE	
Audit	NONE	
Nomination	NONE	
Remuneration	NONE	
Others (specify)	NONE	

4) Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Executive		
Audit	Approval of the audited financial report	
Nomination		
Remuneration		
Others (specify)	N/A	

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Name of Committee	Planned Programs	Issues to be Addressed
Executive		
Audit		
Nomination	Review and evaluate qualifications of all nominees	Attract well qualified Board members
Remuneration	Establish remuneration policies for management and directors	Dependence of management to officers and personnel
Others (specify)	N/A	

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The Company's policy is to maintain risk at an acceptable level, to have an adequate risk management guiding the principles which will institutionalize a focused approach in addressing its exposure to different business risk.

(b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;

Management gathers all material information before committing funds.

- (c) Period covered by the review;
The review covers CY 2012
- (d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and
The risk management system is reviewed whenever necessary
- (e) Where no review was conducted during the year, an explanation why not. N/A

2) Risk Policy

(a) Company

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Financial exposure risk	The Company discourages the use of foreign currency denominated obligations to avoid foreign currency risks.	To avoid foreign currency risk
Liquidity risk	The Company manages liquidity risks regularly by monitoring and evaluating its projected and actual cash flows.	To manage actual cash flows risks
Credit risk	Company's credit risk relates to "cash in bank" account. The exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of this financial asset as stated in the following table. Given that AMIC has no outstanding receivables, it is not exposed to large concentrations of credit risk.	

(b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Liquidity risk	The Company manages liquidity risks regularly by monitoring and evaluating its projected and actual cash flows.	To manage actual cash flows risks

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

Risk to Minority Shareholders
All shareholders have one vote per share so minority shareholder's voting power is not truncated.

3) Control System Set Up

(a) Company

Briefly describe 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)
Integrity of financial information	Timely detection of financial error	Continuous improvement of information system and access

(b) Group

Briefly describe 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)
Liquidity risks		Management manages liquidity by regularly monitoring and evaluating its projected and actual cash flows.

(c) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanism	Details of its Functions
Audit Committee	Oversight control	Monitors: the integrity of financial information, access internal audit functions, compliance with new regulatory and compliance requirements.

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

- (a) Explain how the internal control system is defined for the company;
 Internal control is a set of rules, policies and procedures that the Company implements to provide reasonable assurance that its financial reports are reliable, its operation are effective and efficient and that the Company comply with applicable laws and regulations. The Board of Directors, management and officers are responsible for the internal control system.

- (b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;
- (c) Period covered by the review;
- (d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and
- (e) Where no review was conducted during the year, an explanation why not.

2) Internal Audit

(a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
		N/A		

(b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

(c) Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?

(d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

Name of Audit Staff	Reason
	N/A

(e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit's progress against plans, significant issues, significant findings and examination trends.

Progress Against Plans	N/A
Issues⁶	
Findings⁷	
Examination Trends	

[The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

- 1) Preparation of an audit plan inclusive of a timeline and milestones;
- 2) Conduct of examination based on the plan;

⁶ "Issues" are compliance matters that arise from adopting different interpretations.

⁷ "Findings" are those with concrete basis under the company's policies and rules.

- 3) Evaluation of the progress in the implementation of the plan;
- 4) Documentation of issues and findings as a result of the examination;
- 5) Determination of the pervasive issues and findings (“examination trends”) based on single year result and/or year-to-year results;
- 6) Conduct of the foregoing procedures on a regular basis.]

(f) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column “Implementation.”

Policies & Procedures	Implementation

(g) Mechanisms and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company’s shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies

(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company’s full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

H. ROLE OF STAKEHOLDERS

- 1) Disclose the company’s policy and activities relative to the following:

	Policy	Activities
Customers' welfare		
Supplier/contractor selection practice		
Environmentally friendly value-chain		
Community interaction		
Anti-corruption programmes and procedures?		
Safeguarding creditors' rights		

- 2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?
- 3) Performance-enhancing mechanisms for employee participation.
 - (a) What are the company's policy for its employees' safety, health, and welfare?
 - (b) Show data relating to health, safety and welfare of its employees.
 - (c) State the company's training and development programmes for its employees. Show the data.
 - (d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures
- 4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behaviour? Explain how employees are protected from retaliation.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

- (a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
Jabel Corporation	89,250,000,000	48.784%	Jabel Corporation
Discovery Mines	14,100,000,000	7.7072%	Discovery Mines, Inc.

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Jeremias G. Belay	100,600,000	NONE	
James G. Belay	100,000,000	NONE	
TOTAL	200,600,000		

2) Does the Annual Report disclose the following:

Key risks	YES
Corporate objectives	YES
Financial performance indicators	YES
Non-financial performance indicators	YES
Dividend policy	N/A
Details of whistle-blowing policy	N/A
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	YES
Training and/or continuing education programme attended by each director/commissioner	YES
Number of board of directors/commissioners meetings held during the year	YES
Attendance details of each director/commissioner in respect of meetings held	YES
Details of remuneration of the CEO and each member of the board of directors/commissioners	YES

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.
NOT YET IN COMMERCIAL OPERATION

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
Pelayo Teodoro Santamaria & Co.	Php102,000.00	Not applicable

4) Medium of Communication

List down the mode/s of communication that the company is using for disseminating information.

5) Date of release of audited financial report:

6) Company Website - Website undergoing construction

Does the company have a website disclosing up-to-date information about the following?

Business operations	
Financial statements/reports (current and prior years)	
Materials provided in briefings to analysts and media	
Shareholding structure	
Group corporate structure	
Downloadable annual report	
Notice of AGM and/or EGM	
Company's constitution (company's by-laws, memorandum and articles of association)	

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

7) **Disclosure of RPT**

RPT	Relationship	Nature	Value
N/A			

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

J. RIGHTS OF STOCKHOLDERS

1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

Quorum Required	A majority in the number of shares of stock issued and outstanding and entitled to vote shall constitute a quorum, either for the election of directors or for any transaction of corporate business, except in instances provided by law or statute where a qualified majority is required.
------------------------	--

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Approval of the Board of Directors
Description	The corporate powers of the corporation shall be exercised and vested in a Board of FIVE (5) Directors who shall have control of all business conducted and all property of the corporation. The Board of Directors shall have two (2) independent directors who shall be nominated by the stockholders and shall be elected annually by the stockholders at its annual meeting, and shall hold office for one year until their successors are duly elected and qualified. In the event that after the lapse of the terms of the members of the Board and their successors are not yet elected and/or qualified, the incumbent members of the Board shall continue to hold office in hold-over capacity until their successors are duly elected and qualified.

(c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

Stockholders' Rights under The Corporation Code	Stockholders' Rights <u>not</u> in The Corporation Code
Corporation Code	N/A

Dividends

Declaration Date	Record Date	Payment Date
No dividends have been declared	N/A	

(d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

Measures Adopted	Communication Procedure
During the Annual Stockholders open forum is set aside to give investors and stockholders the opportunity to questions the Board of Directors and management.	Part of the agenda.

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
 - a. Amendments to the company's constitution
 - b. Authorization of additional shares
 - c. Transfer of all or substantially all assets, which in effect results in the sale of the company
3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?
 - a. Date of sending out notices:
 - b. Date of the Annual/Special Stockholders' Meeting:
4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting.
5. Result of Annual/Special Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:
N/A

(e) Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most

recent year and the reason for such modification:

Modifications	Reason for Modification
N/A	

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Jeremias B. Beloy James G. Beloy Premy Ann G. Beloy Conde Claro C. Venus	October 26, 2012	Show of Hands	57%	12%	69%
Special	None	xxx	xxx	xxx	xxx	xxx

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs? **Asian Transfer & Registry Corporation was tasked to count the votes.**

(iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares. **The corporation has only one type of shares - common**

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	Proxy shall be in writing and signed by the stockholders
Notary	Not required
Submission of Proxy	Proxies for any annual meeting shall be filed and submitted to the Corporate Secretary five (5) days prior to the date of such meeting
Several Proxies	N/A
Validity of Proxy	Unless otherwise provided in the proxy, it shall be valid only for the meeting for which it was intended.
Proxies executed abroad	Allowed
Invalidated Proxy	N/A
Validation of Proxy	Proxies for any annual meeting shall be filed and submitted to the Corporate Secretary five (5) days prior to the date of such meeting
Violation of Proxy	N/A

(h) Sending of Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedure
	A written notice stating the time and place of the annual or special meeting of the stockholders shall be mailed to each registered shareholder at his address of record or at his last known post office address within the Philippines. Said notice shall be mailed at least FIFTEEN (15) days prior to the date of the said meeting. No notices of any meeting need be published in any newspaper. The notice of every special meeting shall state briefly the general nature of the business to be transacted.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	873 stockholders were entitled to receive Definitive Information Statements, Management Report and Other Materials.
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	October 3, 2012
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	October 3, 2013
State whether CD format or hard copies were distributed	Hard copies of the Definitive Information Statement and Management Report were distributed to stockholders.
If yes, indicate whether requesting stockholders were provided hard copies	Requesting stockholders are provided with hard copies.

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Yes
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	n/a
The amount payable for final dividends.	n/a
Documents required for proxy vote.	n/a

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

2) Treatment of Minority Stockholders

(a) State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
The minority Stockholders must not be deprived of their right to representation	Stockholders have the right to cumulate their votes in favor of their chosen nominees for director in accordance with Section 24 of the Corporation Code. Section 24 provides that a stockholder may vote such number of shares registered in his name as of the record date for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. The total number of votes cast by such stockholders should not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected.

(b) Do minority stockholders have a right to nominate candidates for board of directors? Yes, as long as the name of their nominees are submitted to the Nomination Committee for pre-qualification.

K. INVESTORS RELATIONS PROGRAM

1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

No formal communication policy, though the Company disseminates all material information to its investors and stockholders through timely disclosures ton the Commission and the Philippine Stock Exchange.

2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

	Details
(1) Objectives	Timely disclosure of material information
(2) Principles	To enable investors to make appropriate investors decisions
(3) Modes of Communications	Disclosure to SEC and PSE
(4) Investors Relations Officer	Corporate Information Officer, Mr. Joel G. Belay with contact details at 9251605 to 07

3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets? Subject to the approval of the Board of Directors and stockholders, if necessary.

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price. N/A

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

Initiative	Beneficiary
To study sustainable program that is consistent with the mission and vision of the Company.	To be determined by the Board

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

	Process	Criteria
Board of Directors	Periodic self appraisal	Board discussion and participation
Board Committees	Periodic self appraisal	Meeting targets/objectives set by the Committees
Individual Directors	Periodic self appraisal	Board discussion and participation
CEO/President	Periodic review of management	Meeting Company objectives and targets.

N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees

Violations	Sanctions
First violation	Reprimand
Second	Suspension
Third	Removal/Dismissal from office

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Quezon City on June 30, 2013

SIGNATURES

JEREMIAS B. BELOY
Chairman of the Board

SAME
Chief Executive Officer

CONDE CLARO C. VENUS
Independent Director

YU TING GUAN
Independent Director

JAMES G. BELOY **JEREMIAS B. BELOY**
Compliance Officer

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2013 , affiant(s) exhibiting to me their Community Tax Certificates and Tax Identification Number, as follows:

NAME/NO.	DATE OF ISSUE	PLACE OF ISSUE
Jeremias B. Beloy	CTC # 6577294 January 15, 2013	Quezon City
Conde Claro C. Venus	CTC # 6577303 January 15, 2013	Quezon City
Yu Ting Guan	TIN # 148-686-071	
James G. Beloy	CTC # 6577296 January 15, 2013	Quezon City

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Page No. _____
Book No. _____
Series of 2013.