

RISKS AND OPPORTUNITIES REGISTER

| Risk IDENTIFICATION | | | | | | Risk ASSESSMENT (Analysis and Evaluation) | | | Risk TREATMENT | | | | Risk MONITORING & REVIEW | | | EVALUATION OF EFFECTIVENESS | | | Remarks on Evaluation | |
|---------------------------------|---|--|---|---|--|---|--|--|---|--|--|----------------------------|---|---|---|-----------------------------|---|--|--|--|
| Risk ID | Category | Activity/Process | Risk/Opportunity | Existing Controls | Assessment Controls | Likelihood | Consequence | Risk Rating | ACTIONS | | Plan | Responsible | Due by | Method | Progress and Compliance Reporting | Status | Likelihood | Consequence | Risk Rating | |
| | | | | | | | | | Risk | Opportunities | | | | | | | | | | |
| <i>Enter a unique reference</i> | <i>Identify the relevant risk/hazard category</i> | <i>Identify the associated activity/process/department</i> | <i>Capture the potential event with enough detail to be understood in isolation</i> | <i>Describe the existing controls related to hazard/risk identified</i> | <i>Assess the effectiveness of existing controls</i> | <i>Assess the probability of risk event occurring</i> | <i>Assess the plausible impact of risk event occurring</i> | <i>Rate the risk based on likelihood and consequence</i> | <i>Describe the treatment to be applied to risk</i> | <i>Describe the treatment to be applied to opportunity</i> | <i>State the planned action to treat risk</i> | <i>Assign a Plan Owner</i> | <i>Enter the date by which action to be implemented</i> | <i>List the methods for monitoring action plan(s) and review points</i> | <i>Track and report on the progress of actions plan(s), and note any instances of non-compliance, breaches or near misses</i> | <i>Update status</i> | <i>Assess the probability of risk event occurring</i> | <i>Assess the plausible impact of risk event occurring</i> | <i>Rate the risk based on likelihood and consequence</i> | |
| 1 | Compliance | Submission of Enhanced PES (Charter Statement and Strategy Map, SOs and SMs) | Failure to submit the required Enhanced PES to the GCG based on the prescribed deadline | - Close coordination with department heads and project owners - Conduct Regular meetings with the Interim Planning Committee Members | NEEDS IMPROVEMENT | POSSIBLE | MAJOR | HIGH | REDUCE | ENHANCE | Actively engage all Interim Planning Members including department managers and project managers during the following: 1) Mancom Meetings 2) RMMC 3) Interim Planning Committee Meetings; 4) PMDC Board Meetings | Interim Planning Committee | Immediately | Monthly meetings, discussion and review | Active engagement with Planning Members during the following: 1) Mancom Meetings; 2) RMMC | OPEN | LIKELY | MINOR | MODERATE | |
| 2 | Compliance/Operational | Monitoring of Planned Activities, Programs and Projects included in the PES for the year | Non-submission of quarterly accomplishments | Strict monitoring of submission of periodic reports for ontime submission and validation | NEEDS IMPROVEMENT | LIKELY | MODERATE | HIGH | REDUCE | ENHANCE | Implement formal compliance monitoring process: 1. Issuance of Memo for strict compliance on the submission of quarterly accomplishment; 2) Actively engage project managers and owners to comply with the prescribed requirement of the GCG | Planning Committee Head | Immediately | Quarterly review | | OPEN | LIKELY | MINOR | LOW | |
| 3 | Financial | Ensure Revenue Generation | No income/ generation of additional revenues | Closed monitoring of awarded mining projects | NEEDS IMPROVEMENT | LIKELY | MODERATE | HIGH | REDUCE | ENHANCE | 1) Close monitoring of existing or awarded mining projects to ensure compliance; 2) To ensure that the project owner/concerned department. unit provide the necessary assistance/coordination | | | | | OPEN | LIKELY | MINOR | LOW | |
| 4 | Internal | Creation of the PMDC Planning Committee | No permanent Planning Department to ensure compliance and oversee the implementation and reporting of accomplishments | Creation of the Interim Planning Committee | NEEDS IMPROVEMENT | LIKELY | MODERATE | HIGH | REDUCE | ENHANCE | Issuance of an Office Order institutionalizing the creation/composition of the Planning Committee | Interim Planning Committee | Immediately | | | OPEN | LIKELY | MINOR | LOW | |

RISKS AND OPPORTUNITIES REGISTER

DATE: May 22, 2025

DATE REVIEWED: May 22, 2025

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| Enter a unique reference | Identify the relevant risk/hazard category | Identify the associated activity/process/department | Capture the potential event with enough detail to be understood in isolation | Describe the existing controls related to hazard/risk identified | Assess the effectiveness of existing controls | Assess the probability of risk event occurring | Assess the plausible impact of risk event occurring | Rate the risk based on likelihood and consequence | Describe the treatment to be applied to risk | Describe the treatment to be applied to opportunity | State the planned action to treat risk | Assign a Plan Owner | Enter the date by which action to be implemented | List the methods for monitoring action plan(s) and review points | Track and report on the progress of actions plan(s), and note any instances of non-compliance, breaches or near misses | Update status | Assess the probability of risk event occurring | Assess the plausible impact of risk event occurring | Rate the risk based on likelihood and consequence | |
| 1 | Human Resource | HRAD | Lack of required knowledge, skills & experiences, which threatens accomplishment of critical business objectives. | Continue provision of quarterly seminars and trainings to be availed by PMDC Employees. | EFFECTIVE | UNLIKELY | MINOR | LOW | REDUCE | | Monitoring of quarterly trainings, annual training evaluation, and annual competency assessment | HRAD | Quarterly and Annual | Offer free online trainings/seminar - webinars Continue provision of seminars/trainings to be availed by PMDC Employees. | Quarterly monitoring of trainings and seminars for employees. | OPEN | RARE | MINOR | VERYLOW | |
| 2 | Human Resource | HRAD | Lack of plantilla positions resulting to high employee costs, and low employee morale and productivity (project and regular) | Implementation of Quality Procedure on Hiring. Provision of GCG approved allowances, benefits and incentives. | ADEQUATE | POSSIBLE | MODERATE | MODERATE | REDUCE | | Strict implementation of QP on Hiring. Implementation of the approved CPCS Salary Structure, allowances, benefits and other entitlements. Promote work life balance | HRAD | As needed | Step by step implementation of QP on Hiring by responsible persons. Proper documentation of the Hiring process Implementation of CPCS. Implementation of alternative work arrangement | All methods implemented. | OPEN | UNLIKELY | MINOR | LOW | |
| 3 | Technology | Records/IT | Security threats of centralized records due to internet exposure when accessed outside of the office. | Use of firewall, virtual private network (VPN) and anti virus softwares. | NEEDS IMPROVEMENT | LIKELY | MAJOR | VERYHIGH | AVOID | | Continuous subscription of softwares againsts cyber attack or threats. Training of Records Custodians on the proper handling of centralized records. IT monitoring on the network activities. Maintain records by conducting regular backup of files. | IT/AdminRecords Unit | As needed | Daily monitoring of threats (IT) Quarterly back up of files (Records) Annual subscription of softwares | All methods implemented. | OPEN | POSSIBLE | MINOR | MODERATE | |
| 4 | Supplier | Procurement | Limited source of supplies/services in the Procurement Service (PS). | Implementation of Quality Procedure on Procurement and procurement planning Resort to non-Philgeps suppliers. | NEEDS IMPROVEMENT | LIKELY | MODERATE | HIGH | REDUCE | | Source more suppliers by attending SME's business expo and maintain a good relationship with them. Conduct regular inventory of office supplies. Assist end-users in providing detailed purchase requirements/specifications when necessary. Creation of directory/list of suppliers | Admin/Procurement/End-users | Quarterly and Annual | Search and Monitor schedule of SME's business expo Quarterly inventory of office supplies Provide feedback on the availability of the product Update the directory/list of suppliers | for implementation | OPEN | UNLIKELY | MINOR | Low | |
| 5 | Supplier | Procurement | Lack of potential bidders/suppliers due to government documentary requirements and imposition of withholding tax. | Implementation of Quality Procedure on Procurement. Seek more supplier willing to fulfill requirements. Resort to non-Philgeps suppliers. | NEEDS IMPROVEMENT | LIKELY | MODERATE | HIGH | REDUCE | | Source more suppliers by attending SME's business expo and maintain a good relationship with them. Conduct regular inventory of office supplies. Assist end-users in providing detailed purchase requirements/specifications when necessary. Creation of directory/list of suppliers | Admin/Procurement/End-users | (Quarterly and Annual) As needed | Search and Monitor schedule of SME's business expo Quarterly inventory of office supplies Provide feedback on the availability of the product Update the directory/list of suppliers | for implementation | OPEN | UNLIKELY | Minor | Low | |
| 6 | Safety | Admin | Absence of Health Care Service Provider | Provision of Philhealth, SSS Sickness Benefits | NEEDS IMPROVEMENT | LIKELY | MAJOR | VERYHIGH | REDUCE | | Explore Philhealth Konsulta Package Explore MOA with DOH on Annual Physical Examination (APE) Explore HMO providers that caters services not covered by Philhealth | HR and Admin | 4th Qtr of 2025 | Coordinate with Philhealth and DOH Inquire packages from HMO Providers | for implementation | OPEN | UNLIKELY | MINOR | LOW | |

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| 1 | Compliance | Legal | - Non-compliance with terms and conditions as stipulated in the contract. | - Monitoring of compliance with terms and conditions as stipulated in the contract. | NEEDS IMPROVEMENT | LIKELY | MODERATE | HIGH | REDUCE | ENHANCE | Implement formal compliance monitoring process. 1. Identify compliance requirements 2. Identify system or tool to manage compliance requirements 3. Review compliance requirements periodically to ensure there have been no material compliance breaches. | Legal Dept | | Quarterly review | | OPEN | | | |
| | | | Changing laws threaten the capacity to consummate important transactions, enforce contractual agreements or implement specific strategies and activities . | PMDC must keep abreast with the issuances and amendments on the laws related to mining and taxation. | NEEDS IMPROVEMENT | LIKELY | MODERATE | HIGH | | | Regular monitoring of issuances and amendments that will be issued. | Legal Dept | | quarterly review | | OPEN | | | #REF! |
| | | | Different interpretations of rules and regulations by regulatory agencies | Coordination with the respective regulatory agency. | NEEDS IMPROVEMENT | LIKELY | MODERATE | HIGH | | | Regular coordination with regulatory agency and monitoring of issuances and amendments that will be issued. | Legal Dept | | Quarterly review | | | | | #REF! |

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| 1 | Compliance | Number of CSR Beneficiaries Served (SM 5 under SO 3 Sustained Progressive Mining Communities through Responsible Mining) | Opportunity: to achieve 6,400 target beneficiaries, 10% weight on GCG Target Risk: failure to served 6,400 beneficiaries, delay of implementation of CSR projects | Implementation of planned CSR Projects Health - 1,850 Environment - 1,800 Education - 2,700 Opportunities to Earn - 50 Total = 6,400 | ADEQUATE | LIKELY | MODERATE | HIGH | Reduce | Enhance | To get approval on the activity designs, project proposals, and PR and implement CSR planned activities within the year. | PMD, Comrel, Procurement and OP | Within the year | Regular and on time implementation and monitoring | Output: Approval of the Board for Bidding of Proposed Tenements, Posting of all mining properties for bidding Progress: Q1 258 Q2 - Still waiting for final list of student of 4 HS for Brigada Eskwela Q3 - Q4 - Total | Open | Possible | Minor | Low |
| 2 | Compliance | Government Programs/Plans/Activities for (GPPA) COA (CSR Projects - Comrels; Mabatats Projects - Depot Technicals) | Risk: Failure to submit GPPA quarterly report | Strictly monitor and on time submission of quarterly report to COA | ADEQUATE | LIKELY | MODERATE | HIGH | Reduce | Enhance | Implement formal compliance monitoring process: 1. Identify compliance requirements 2. Identify system or tool to manage compliance requirements | Comrel, FAD, PMD Mabatats Head for Mabatats Projects | Quarterly | Quarterly review | Submitted 2nd Quarter Rpeort to COA last July 08, 2025 | Open | Possible | Minor | Low |

RISKS AND OPPORTUNITIES REGISTER- June 30, 2025

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| 1 | Financial | Top Mgt./PMD/FAD | R: Limited budget for operational requirements. R: Inability/partial implementation of approved activities/projects due to cash flow constraints. R: Unsubsidized (from the National Government) funding requirements. O: Seek transfer of mining properties with high potential to PMDC. | 1. For costs and expenses, review basic and fixed expenditures (consider what can be reduced/rationalized). 2. Review capital expenditures and reassess what can be pushed through and postponed based on necessity and benefits. | ADEQUATE | POSSIBLE | MODERATE | MODERATE | REDUCE | ENHANCE | 1. Coordinate with the MGB on high-value tenements and mining properties inventory. 2. Prioritization of internal and community needs that would provide optimum benefits, in the long run. | Top Mgt./PMD/FAD | Continuing | 1. Monthly preparation of Cash Position Report. 2. Management Committee (ManCom) review on operational requirements vis-à-vis funds availability. 3. ManCom review on existing and potential revenue-earning tenements and mining properties. | 1. Ongoing and continuously complied by FAD. 2. Occasional Meeting 3. Occasional Meeting | OPEN | LIKELY | MINOR | LOW |
| 2 | Compliance | FAD | R: Risk of receiving Audit Observation Memorandum (AOM) or Notice of Disallowance (ND) from COA due to non-compliance of COA Circulars. O: Consistent yearly receipt of an Unqualified Opinion from COA Auditors | 1. Ensure that all transactions are properly documented and supported before filing and forwarding to COA. | STRONG | LIKELY | MINOR | MODERATE | REDUCE | ENHANCE | 1. Coordinate with Davao Admin to ensure that all requirements of the COA Circulars are applied as indicated. 2. General Meeting with PMDC employees with regards to the updates in the COA Circular | FAD/Davao Admin | Continuing | 1. Review for the supporting documents for all transactions before scanning and filing. | 1. Continuous compliance | OPEN | UNLIKELY | MINOR | LOW |
| 3 | Compliance | FAD | R: Risk of BIR assessment due to non-compliance with the recording and remittance of applicable taxes. O: To manage/mitigate the impact of settlement (payment/compromise) on financial operations. | 1. Ensure purchases are properly taxed. 2. Use the accrual system in recording transactions. | STRONG | POSSIBLE | MODERATE | MODERATE | REDUCE | ENHANCE | 1. Coordinate with Davao Admin to ensure that purchases made through Cash Advances/Petty Cash will be applied with applicable taxes. 2. On the job updating on Taxation Policies of BIR; attendance to BIR seminars on latest tax guidelines. | FAD/Davao Admin | Continuing | 1. Review of the accounting entries before posting in CAS. 2. Review of monthly tax remittances to ensure that all taxes are remitted to the BIR. | 1. Continuous compliance | OPEN | LIKELY | MINOR | LOW |