

FINANCIAL RISK EXPOSURES TO PHILIPPINE MINING DEVELOPMENT CORPORATION

Risk Factors	Risk Exposure	Existing Management Measures
Commodity price risk	Susceptibility to fluctuations in the price of nickel ore. Unanticipated decrease in price/wmt due to volatility of market landscape can adversely affect revenue targets of partner/operator thereby trims down revenue flow (royalty fees) to PMDC.	PMDC is consolidating efforts to drum up exploration and production stages of existing partners. This move will pour in additional volume that will lessen the impact of decreases/fluctuations in price and commitment fees which in turn cushion possible drop in commodity prices.
Currency translation risk	Effect of foreign exchange rate changes on the financial statements. Substantial decline in foreign currency conversion can affect PMDC's cash flow position.	Monthly monitoring and assessment of dollar-denominated cash in bank. PMDC will manage fund conversion and transfer to mitigate forex translation losses.
Partner/operator and revenue base risk	PMDC has one partner/operator presently in full mining operation providing royalty fees as revenue base to the company.	The company is drafting a proposal that will bring in potential partner/operator thru public bidding.

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