



25 May 2007

**PHILIPPINE STOCK EXCHANGE**

Disclosure Department  
4/F PSE Center  
Exchange Road  
Ortigas Center, Pasig City

Attention: **ATTY. PETE M. MALABANAN**  
Head, Disclosure Department

Gentlemen:

In reference to your email dated May 25, 2007, requesting for an explanation with regard to the compliance of Revised Disclosure Rule Section 4.1 and 4.4.

We would like to clarify the following matters:

**a. Section 4.1** The Corporation disclosed the signing of the The Letter of Intent (LOI) with Rusina Mining Ltd. (Rusina) on May 9, 2007, a day following the signing date of May 8, 2007. This was due to the fact that the Corporation and Rusina signed the LOI after business hours of May 8. As a result, the Corporation was inadvertently delayed with its disclosure in respect to the **10 minute disclosure rule**, given the fact that Rusina is based in Australia.

**b. Section 4.4** There was no board resolution to approve the signing of the Letter of Intent (LOI) between the Corporation and Rusina as it is just a simple letter of intent. The Board can but does not need to ratify the execution of the LOI but it will approve/ratify the actual transactions in the LOI upon execution. Further, the Memorandum of Agreement between the Corporation and Fil-Asian Strategic Resources and Properties Corporation signed on March 5, 2007 which was also reported in a separate disclosure, has been ratified by the Board, wherein the Corporation has been appointed as an independent contractor of the nickel laterite mining in Zambales. This is the main authority which the Corporation relied on the execution of the LOI.

We are hoping for your kind consideration on the matter.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Aldric G. Borlaza".

**Aldric G. Borlaza**  
Finance Officer