Shi Zhifang (施志芳)

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- 上海冶金学院选矿工程学士（原上海交通大学）
  Bachelor of Mineral Processing Engineering, Shanghai College of Metallurgy (Former of Shanghai Jiatong University)

- 中共中央党校工商管理学院经济学硕士
  Master of Economics, College of Business Administration, Party School of CCP Central Committee, PRC

日期(Date): _____

初步勘探和初步资源估算的证明

CERTIFICATION OF PRELIMINARY EXPLORATION & PRELIMINARY RESOURCE ESTIMATES

敬启者:

To whom this may concern:

I. 兹证明，我已亲自监督了位于 ***Bangul, Burgos, Pagudpud*** of ***Ilocos Norte*** 镇的海上磁铁矿开采项目的初步勘探工作，根据第 ***012-I*** 号 AFTAA，由中国大陆的一位高技能技术专家通过高精度磁铁矿定位仪测量，为 ***PANGASINAN FERRO RESOURCES CORPORATION***, 提供总面积为 ***2,029.7612*** 公顷的初步勘探服务。

This is to certify that I have personally supervised the Preliminary Exploration of Offshore Magnetite Iron Mining Project in the towns of ***Bangul, Burgos, Pagudpud*** of ***Ilocos Norte*** Province, under AFTAA NO. ***012-I*** for ***PANGASINAN FERRO RESOURCES CORPORATION*** with a total area of ***2,029.7612*** hectares through the use of High Precision Magnetite Placer Survey and implemented by highly skilled technical expert from Mainland China.

在签字人对上述高技术性海上初步勘探工程的监督下，还观察到以下显著的技术信息：

Under the undersigned's supervision for the above highly technical offshore preliminary exploration works the following notable technical information were also observed:

a. 由于海上磁砂矿床的强磁性，该系统显示出铁砂矿石的平均探测深度在距地壳九十（90）米至一百二十（120）米之间（海水之后）。

Due to strong magnetic properties of the offshore magnetic sand deposits the system shows an average detection depth of iron sand ore between Ninety (90) meters depth down to One Hundred Twenty (120) meters depth from the sea crust (after the sea water).

b. 在整个 ***2,029.7612*** 公顷的海上采矿权范围内，高价值磁异常的分布范围相对较广，在整个采矿权区域显示出均匀的磁铁矿矿床。

The distribution range of high value magnetic anomalies within the entire ***2,029.7612*** hectares of the offshore mining properties is relatively wide range and showing homogenous magnetite iron deposits on the entire mining claim area.

II. 由于所探测到的平均深度为 120 米的磁铁矿-铁砂矿床具有上述同质特征，我们的初步资源量估算是根据既定的国际标准进行技术计算的，并规定了如下的安全裕度：

Due to the aforestated homogenous character of the detected magnetite iron sand ore deposit down to an average depth of 120 meters, our Preliminary Resource Estimate is hereto technically computed in accordance to the established international standard with provisions for margin of safety as follows:

a.) 根据 2,029.7612 公顷磁铁矿深度为 90 米（保守）的磁铁矿砂矿床的同质特征测量的矿产资源量。

Measured Mineral Resource based on homogenous character of magnetite iron sand deposit within the 2,029.7612 hectares at a magnetite iron depth of 90 meters (conservative).

b.) 2,029.7612 x 10,000 每米/公顷=20,297,612 平方米

20,297,612 x 90 米 磁铁矿检测=1,826,785,080 立方米

2,029.7612 x 10,000 per meters per hectares = 20,297,612 square meter
20,297,612 x 90 meters magnetite iron detection = 1,826,785,080 cubic meters

c.) 采用保守的 8%可回收和可升级磁铁矿后的初步资源估算（初步分离、洗涤和干燥过程后的国际标准净回收率在 8%至 12%之间。

The Preliminary Resource Estimate after applying a Conservative 8% net Recoverable and upgradeable Magnetite Iron (The international standard net recovery after preliminary separation, washing and drying process is between 8% to 12%.

1,830,654,720 立方米 x 8% = *146,142,806* 立方米 可升级磁铁矿

1,826,785,080 cubic meters x 8% = 146,142,806 cubic meters of upgradable magnetite iron

经过磁性分离和干燥的纯铁的比重为 3.773，代表磁性精矿。这是根据 2014 年 12 月 3 日编号为 MRS. 2014-28 的实验室，根据从卡加延贡扎加的 JDVC 海上矿场采集的提交样本，所述实验室测试作为附件 1，根据历史参考。

The Specific Gravity of Pure Iron as Magnetically separated and dried is 3.773 representing Magnetic Concentrate. This is per lab No. MRS. 2014-28 dated 3 December 2014 as per Submitted Sample taken from JDVC Offshore Mine site in Gonzaga, Cagayan, said Laboratory Test is hereto attached as EXHIBIT 1, as per historical reference.

146,142,806 立方米 x 3.773 = *551,396,808* 吨

因此，该特定海上矿区的磁铁矿纯铁资源量初步估算为= *551,396,808* 吨。

146,142,806 cubic meters x 3.773 = 551,396,808 TONS

Therefore, the Preliminary Resource Estimate of Magnetite Iron Pure is 551,396,808 TONS for this specific offshore mining tenement area.

Shi Zhifang (施志芳)

Date: _____

EXHIBIT 1

Republic of the Philippines
Department of Environment and Natural Resources
MINES AND GEOSCIENCES BUREAU
North Avenue, Diliman, Quezon City, Philippines
Tel. No. (+63 2) 920-9120 / 920-9130 / 928-8937 Fax No. (+63 2) 920-1635 Email: central@mgb.gov.ph

RESULTS OF METALLURGICAL TEST/S
(NOT VALID FOR PROMOTION PURPOSES)

3 December 2014

Lab. No. MRS-2014-28

One (1) magnetite sand sample for Specific Gravity and Magnetic Separation tests.

Submitted by : **JDVC RESOURCES CORPORATION c/o JOSEPH BARCE**
No. 33 Times St. West Triangle, Quezon City

Results : (AS RECEIVED BASIS)

Test Conducted

A. Magnetic Separation

Percent magnetic, %	26.66
Percent non-magnetic, %	73.34
Total	100.00

B. Specific Gravity of magnetic concentrate 3.773

Charge : ₱ 750.00

O.R. #: 3941658
Date : 1 December 2014

Noted:

BY AUTHORITY OF THE DIRECTOR OF MINES AND GEOSCIENCES BUREAU:

JUANCHO PABLO S. CALVEZ
CHIEF, METALLURGICAL TECHNOLOGY DIVISION

BY:

REY V. PERUCHO
CHIEF, METALLURGICAL RESEARCH SECTION

"MINING SHALL BE PRO-PEOPLE AND PRO-ENVIRONMENT
IN SUSTAINING WEALTH CREATION AND IMPROVED QUALITY OF LIFE"