

CLARIDEN HOLDINGS, INC.

The Company, through Clariden, holds mining tenements in various areas in the Philippines. These mining tenements, owned by Clariden's various subsidiaries, include: (i) Mineral Production Sharing Agreements (MPSAs) for the Nonoc Nickel Project, Mt. Cadig Nickel Project and Lo-oc Limestone Project, (ii) Exploration Permits (EPs) for certain areas under the Bango Gold Project, and (iii) pending Application for Production Sharing Agreement (APSA) and pending Exploration Permit Applications (EXPA) for other areas of the Bango Gold Project. A subsidiary of Clariden was also chosen as the contractor under a Joint Operating Agreement to be executed for the North Davao Project.

Clariden's mining projects are:

Nonoc Nickel Project

Clariden, through its indirect beneficial ownership in Philnico Industrial Corporation ("PIC"), Pacific Nickel Philippines, Inc. ("PNPI"), and Philnico Processing Corp. ("PPC"), holds mining rights over an area of approximately 23,877 hectares located in the islands of Nonoc, Hanigad, and Awasan, Surigao City; and Basilisa and Cagdianao, Dinagat Island Province, within Parcel II and Parcel III of the Surigao Mineral Reservation under MPSA No. 072-97-XIII (SMR), expiring in 2022. The original MPSA area of approximately 25,000 hectares was reduced as a result of the exclusion from the MPSA and reclassification of 106.473 hectares for the establishment of a Special Economic Zone in 1999 and 1,016.9113 hectares as alienable and disposable land in 2004.

Amended and Restated Definitive Agreement and Related Agreements. In 1996, PIC (formerly the Philnico Mining and Industrial Corporation) acquired 90% of the shares of stock and certain receivables of the Republic of the Philippines ("ROP") in PPC (formerly, the Nonoc Mining and Industrial Corporation) through an Amended and Restated Definitive Agreement ("ARDA") with the ROP, acting through the Asset Privatization Trust (now the Privatization and Management Office or "PMO"), executed on May 10, 1996, as supplemented and amended on May 2, 1997 and September 27, 1999, respectively.

Under the ARDA, the purchase price shall be payable on an installment basis in accordance with the payment schedule stipulated therein. Further, the ARDA provides that the installment payable on a large portion of the purchase price shall consider the average London Metal Exchange ("LME") price of nickel which should be higher than PNPI's break-even price for the period. This is in recognition of the need to put the nickel plant in operation before compliance with the payment schedule may be enforced. As security for the payment of the purchase price, PIC pledged the subject PPC shares to the ROP. The ARDA contains a provision that in case of default in the payment of the purchase price in accordance with the terms thereof, the title to the PPC shares shall ipso facto revert to the ROP. In 2003, PIC filed a case to enjoin PMO from enforcing the said automatic reversion provision and requesting the court to fix the period for payment and performance by PIC of its obligations under the ARDA, which case is discussed in greater detail in this Prospectus under the heading "Legal Proceedings".

MPSA No. 072-97-XIII (SMR). The ROP and PIC entered into an MPSA which was approved on January 20, 1995 by the President of the Philippines pursuant to Executive Order No. 279 (1987) as implemented by DENR Administrative Order ("DAO") Nos. 57 (1989) and 82 (1990). The said MPSA was thereafter revoked but subsequently reinstated and approved by the President in September 1996 after the execution of the ARDA.

In May 1997, PIC assigned its rights and obligations under the MPSA to PNPI and PNPI, in turn, assigned all mineral processing rights under the MPSA in favor of PPC. As a result of the assignment, PNPI holds exclusive rights to explore, develop, mine, and commercially utilize nickel, cobalt, chrome, iron and other mineral deposits within the contract area for a period of 25 years, renewable for another 25 years. On the other hand, PPC holds exclusive rights with respect to the processing of minerals and resources under the Mineral Processing Permit issued by the DENR.

The MPSA further provides that the ROP share shall be the excise taxes on the mineral products at the time of its removal and at the rate provided for in Republic Act No. 7729 amending Section 151(A) of the National Internal Revenue Code (“NIRC”), as amended, in addition to a royalty fee of not less than 5% of the market value of the gross output exclusive of all other taxes. If minerals, other than nickel and cobalt are discovered in commercial quantities in the contract area, the value thereof shall be added to the value of the principal minerals in computing the share of the ROP.

On August 7, 1997, the MPSA was amended to conform to Republic Act No. 7942, otherwise known as the Philippine Mining Act of 1995, and its implementing rules and regulations, DAO No. 96-40.

PNPI has submitted to the MGB an application for an additional 2-Year exploration period under the MPSA to further explore the nickel deposit and is currently awaiting MGB approval. Other ongoing work includes pre-exploration activities and preparations for the rehabilitation of some mine site facilities to support the planned exploration program. In this regard, PNPI is planning to conduct exploratory core drilling and sampling of nickel laterite in the contract area. PNPI has also engaged the services of a third party consultant to review the Bankable Feasibility Study and conduct an Options Study for Plant Development. Certain continuing activities in compliance with mandatory requirements under the MPSA and mining regulations such as the Environmental Protection and Enhancement Program and Social Development and Management Program are also being implemented.

Resources. The primary mineral resource within the MPSA area is nickel. Secondary resources not fully quantified but now considered commercially saleable are: (i) overburden (materials overlying the nickel deposit previously considered as waste or of no value but with the advent of new technology and favorable nickel prices has become economic) which can be marketed as direct shipping ore; and (ii) iron tailings generated by previous nickel processing operations and can be marketed on an as is, where is basis or upgraded to at least 60% iron.

Special Economic Zone. On May 1, 1999, PIC and the City of Surigao entered into a Memorandum of Agreement in relation to a proposed plan of establishing, developing, and operating a Special Economic Zone (“Ecozone”) in a 106-hectare portion of Nonoc Island, Surigao City (the “Property”), which area is covered by the MPSA.

Under the Memorandum of Agreement, the City of Surigao agreed to cause the reclassification of the Property from mineral to agricultural land and thereafter lease the same to PIC for the establishment of the Ecozone. PIC, in turn, agreed to cause the conditional release of the Property from the coverage of the MPSA to enable the City of Surigao to acquire the Property from the ROP, without prejudice to the ownership over the existing facilities and infrastructures on the Property.

Subsequently, Proclamation No. 172 and Presidential Proclamation No. 192 were issued excluding the Property from the MPSA and from the Surigao Mineral Reservation, declaring it open for disposition, and creating the Ecozone with an initial area of 106.473 hectares. On December 10, 1999, the ROP and

the City of Surigao executed a Deed of Donation by virtue of which the ROP donated the Property to the City of Surigao to enable it to host the Ecozone to be developed and operated by PIC.

Pursuant to the Memorandum of Agreement, the lease contract between the City of Surigao and PIC was executed on September 21, 1999 and took effect on December 10, 1999, for an initial period of 25 years, renewable for another 25 years at the option of PIC. The lease contract provides that the payment of the stipulated rental shall only start after 2 years from the execution of the contract or after the commissioning of the Nonoc Nickel Refinery, whichever comes later. To date, the intended new High Pressure Acid Leach Nickel Refinery Plant to replace the current obsolete ammonia acid leach plant has yet to be established.

In July 2013, PIC and PNPI filed a case to enjoin the actions of the Mayor of Surigao City in threatening to take over the Property, which case is discussed in greater detail in this Prospectus under the heading "Legal Proceedings".

Operating Agreement with Shuley Mine, Incorporated. On April 27, 2009, PNPI entered into a Mines Operating Agreement with Shuley Mine, Incorporated. ("SMI") whereby SMI agreed to undertake the extraction, hauling, shipment and marketing of nickel ore within a designated 1,174-hectare area under the MPSA for an initial period of 48 months and renewable for another 48 months upon mutual agreement by the parties. The agreement was registered with the MGB Regional Office No. XIII on June 2, 2009 and approved by the MGB Central Office on July 23, 2009 with the condition that mining operations can only commence once PNPI has filed and secured approval of the Declaration of Mining Project Feasibility ("DMPF") covering the area subject of the agreement. The Partial DMPF was approved by the MGB Central Office on April 8, 2010.

On September 29, 2009, the parties entered into a Supplemental Agreement, whereby the parties agreed to expand the coverage of the Mines Operating Agreement to include, among others: (i) all mining activities such as exploration, expansion of stockyard, and extraction from in situ, run of mine, and tailings, and (ii) mining and extraction of all other nickel grades except nickel ore between 1.0% to 1.4% nickel grade which shall remain under PNPI's ownership, with their corresponding royalty rates computed as an increasing amount per unit volume based on the grades of nickel ore subject to an escalation based on the LME price of nickel. Under the Supplemental Agreement, the parties agreed that the effectivity of the Mines Operating Agreement starts on the date the Partial DMPF was approved by the MGB. On March 16, 2011, the parties amended the Mines Operating Agreement to provide for the payment by SMI of the Value Added Tax on the royalty fee.

In April 2013, SMI filed a case to enjoin PNPI from stopping the mining, shipping and other operations of SMI under the Mines Operating Agreement, which case is discussed in greater detail in this Prospectus under the heading "Legal Proceedings".

Mt. Cadig Nickel Project

MPSA No. 346-2010-IVA. Clariden, through V.I.L. Mines, Incorporated (a wholly-owned subsidiary of Clariden) has the exclusive right to conduct exploration and mining operations within 11,126.3576 hectares of land located in Tagkawayan, Quezon and Labo and Sta. Elena, Camarines Norte pursuant to MPSA No. 346-2010-IVA executed on June 25, 2010 between the ROP and VMI. The MPSA has a term of 25 years from the effective date and renewable for another term not exceeding 25 years. The primary purpose of the MPSA is to provide for the rational exploration, development and commercial utilization

of nickel and other associated mineral deposits existing in the contract area with all the necessary services, technology and financing to be furnished and arranged for by VMI.

The share of the ROP under the MPSA consists of an excise tax on mineral products at the time of removal and at a rate provided for in Republic Act No. 7729 amending Section 151(a) of the NIRC as amended as well as other taxes, duties and fees levied by existing laws. If minerals, other than nickel and other associated mineral deposits are discovered in commercial quantities in the contract area, the value thereof shall be added to the value of the principal mineral in computing the share of the Government. Other government fees include the registration fee and occupation fee.

Resources. Mineral resources within the contract area, based on VMI's exploration drilling activities, are believed to comprise nickel and iron.

Exploration work done is still in the early stage. VMI is currently awaiting approval from MGB of its application for the renewal of its two-year exploration period under the MPSA and has engaged the services of a third party contractor to conduct exploratory core drilling and sampling of nickel laterite deposits in the contract area. It is also looking into proposals for the conduct of sintering reduction test to upgrade the quality of the Mt. Cadig nickel ores. Other ongoing activities are focused on community relations work and the rehabilitation and reforestation of previously dug test pit areas.

Lo-oc Limestone Project

MPSA No. 059-96-VII and MPSA No. 060-96-VII. Clariden, through South Western Cement Corporation (hereinafter "SWCC", a wholly-owned subsidiary of Clariden) has the exclusive right to conduct mining operations in 306.46 hectares of land and 505.7929 hectares of land both located in Lo-oc, Malabuyoc, Cebu pursuant to MPSA No. 059-96-VII and MPSA No. 060-96-VII, both executed on November 18, 1996 between the ROP and Lo-oc Limestone and Development Corporation ("LLDC"). LLDC subsequently assigned its rights, title and interest in and to the MPSAs to SWCC, which assignment was approved by the MGB on September 24, 1997.

The primary purpose of these MPSAs is to provide for the exploration, sustainable development and commercial utilization of limestone for cement manufacturing and other mineral deposits existing in the contract area, with all the necessary services, technology and financing to be provided by SWCC. The MPSAs have a term of 25 years from effective date, renewable for another 25 years.

The share of the ROP consists of an excise tax on mineral products as provided for in Republic Act No. 7729 amending Section 151(a) of the NIRC as amended as well as other taxes, duties and fees levied by existing laws. If minerals, other than limestone are discovered in commercial quantities in the contract area, the value thereof shall be added to the value of the principal mineral in computing the share of the ROP.

Currently, preparations are being done for the conduct of an exploration drilling program scheduled starting 2014 to increase the mineral resource base.

Bango Gold Project

Clariden, through Prima Lumina Gold Mining Corp. (a wholly-owned subsidiary of Clariden, hereinafter, "Prima Lumina") is the assignee of Exploration Permit Nos. 000001-2011 XI and 000002-2011-XI covering certain areas of Compostela Valley and Davao Oriental, immediately south of the Diwalwal Gold Rush Area. These EPs allow Prima Lumina to conduct prospecting and exploration for mineral resources by

geological or geophysical surveys, test pitting, trenching, drilling or any other means for the purpose of determining the existence, extent, quantity and quality of the mineral resources and the feasibility of mining them economically.

The EPs were both approved in April 2011 with a term of 2 years, renewable for like periods but not to exceed a total term of 6 years. EP No. 000001-2011- XI covers 9,997.53 hectares in the Barangays of Ngan, Panalsalan, Pagsabangan and Mangayon, Municipality of Compostela, Barangay Naboc, Municipality of Monkayo, Province of Compostela Valley, and Barangay Aliwagwag, Municipality of Cateel, Province of Davao Oriental. EP 000002-2011-XI covers 2,416.91 hectares in Barangay Ngan, Compostela and Barangay San Miguel, Municipality of New Bataan, Province of Compostela Valley; and Barangay Aliwagwag, Municipality of Cateel, Province of Davao Oriental.

Resources. Mineral resources in these areas, based on exploration activities undertaken under the EPs, are believed to include gold, copper, silver and other associated minerals.

Upon application by Prima Lumina and approval of the relevant regulatory agencies, these EPs may subsequently be converted into MPSAs or other appropriate mining tenements.

As of the date of this Prospectus, Prima Lumina is awaiting MGB's approval of its application for the renewal of the EPs which expired on April 2013. Prima Lumina engaged the services of a third party contractor to conduct exploratory core drilling in the areas covered by the EPs. Preparatory activities prior to drilling such as geohazard mapping, reconnaissance exploration activities and the location of proposed drill holes are ongoing. Continuing consultations with host communities are also being done. An exploration drilling program will be conducted once the EPs are renewed.

APSA No. 0000077-XI and EXPA No. 000242-XI. In 2013, Clariden, through its subsidiary Prima Lumina, entered into an agreement to acquire approximately 71.73% of the shares of stock in Mina Del Oriente, Inc. ("Mina Del Oriente"). Mina Del Oriente has a pending application for MPSA denominated as APSA No. 0000077-XI and a pending application for an Exploration Permit denominated as EXPA No. 000242-XI, both filed on June 30, 1994 and covering an area of about 7,203.02 hectares and 2,116.79 hectares, respectively, in Compostela Valley.

Mina Del Oriente also entered into a Memoranda of Agreement with the Indigenous Cultural Communities of Monkayo and Compostela, Compostela Valley Province, which agreements were registered with the MGB on June 29, 2011.

North Davao Project

Joint Operating Agreement with Philippine Mining Development Corporation. In 2009, Asia-Alliance Mining Resources Corp. (a subsidiary of Clariden, hereinafter, "Asia-Alliance") was chosen by the Philippine Mining Development Corporation ("PMDC") to undertake the exploration, development, and mining operation of the North Davao Mining Property under a Joint Operating Agreement to be executed between the parties. Asia-Alliance subsequently filed a case with the Pasig Regional Trial Court to compel the PMDC to execute the Joint Operating Agreement with terms and conditions that are consistent with the Terms of Reference during the public bidding stage, which case is discussed in greater detail in this Prospectus under the heading "Legal Proceedings".

Resources. Mineral resources are believed to comprise gold, copper and associated minerals.

Dinagat Nickel-Chromite Project

On January 24, 2006, PPC and the Philippine Mining Development Corporation (hereinafter, the "PMDC") (formerly the National Resources Mining Development Corporation) entered into a Joint Operating Agreement designating PPC as the project contractor exclusively authorized to explore, develop, and commercially utilize existing mineral deposits within a 3,600 hectare area in the municipalities of Cagdianao and Basilisa in Dinagat Island, Surigao del Norte, adjacent to MPSA No. 072-97-X (SMR), for a period of 25 years from effective date renewable for another 25 years. On June 21, 2007, PPC assigned its rights, interests, and obligations under the Joint Operating Agreement to PNPI.

Under the Joint Operating Agreement, the sharing scheme between PMDC and the contractor shall be 71%-29%, respectively, based on the net cash income (before taxes). In addition, PPC shall pay the Government, through the PMDC, a royalty in the amount equivalent to 5% of the gross sales of the minerals/mineral products, as well as other taxes, duties, and fees levied by existing laws, national or local. If minerals other than nickel and other associated mineral deposits are discovered in commercial quantities in the contract area, the value thereof shall be added to the value of the principal mineral in computing the share of PMDC.

The principal mineral resources within the Dinagat concession area are nickel and chromite. As of the date of this Prospectus, the development and operation of the mine and mineral processing facilities have been delayed due to insufficient mineable resources/reserves delineated by PNPI that can support mining and processing operations as provided in the Joint Operating Agreement. Additional exploration is required to increase the current resources in the area. Discussions between PNPI and PMDC to renegotiate the sharing scheme under the Joint Operating Agreement are ongoing.

Prospective Projects

In the ordinary course of its business, Clariden considers and evaluates various mining opportunities. In connection with its evaluation of prospective mining projects, airborne magnetic and radiometric surveys over certain areas located in the provinces of North Cotabato, Sultan Kudarat, Davao del Sur and Sarangani, Mindanao Island were completed in December 2013. The report on the survey results is being completed.

As of the date of this Prospectus, projects being considered include the following:

Mindoro Iron Exploration Project. The project has an existing Financial or Technical Assistance Agreement ("FTAA") under the name of Agusan Petroleum and Mineral Corporation ("APMC") executed on October 16, 2008 and registered with the MGB on October 29, 2008. The primary purpose of the FTAA is to provide for the large-scale exploration, development, and commercial utilization of minerals within the contract area with all the necessary technology, management, financing and personnel to be provided or arranged by the APMC. The FTAA grants APMC the exclusive right to explore, mine, utilize, process, refine market, transport, export and dispose of minerals and mineral products and by-products that may be derived or produced from the contract area comprised of 46,050.6483 hectares located in Baco, San Teodoro and Puerto Galera, Oriental Mindoro and Mamburao and Abra de Ilog, Occidental Mindoro. The mineral commodities in the area are nickel and iron.

Davao del Sur Exploration Project. Projects in Davao del Sur are covered by pending applications for EP, denominated as EXPA No.000097-XI filed on October 29, 1998, covering 6,971.82 hectares of land located in Malita and Sta. Maria Davao del Sur; EXPA No. 000171-XI filed on June 21, 2007, covering 16,009.81 hectares of land located in Malita, Davao del Sur and Malungon and Anabel, Sarangani

Province; EXPA No. 000172-XI filed on June 21, 2007 covering 16,054 hectares of land located in Sta. Maria, Malalag and Malita, Davao Del Sur; EXPA No. 000173-XI filed on June 22, 2007 covering 16,211.1 hectares of land situated in Malita and Sta. Maria, Davao Del Sur; EXPA No. 000174-XI filed on June 25, 2007 covering 16,054.09 hectares of land situated in Malita and Don Marcelino, Davao Del Sur; EXPA No.00176-XI filed on June 25, 2007 covering 16,357.96 hectares of land situated in Malita, Malalag and Sta. Maria, Davao del Sur; and EXPA No. 00175-XI filed on June 25, 2007 covering 16,146.32 hectares of land situated in Malita and Don Marcelino, Davao del Sur. The mineral commodities applied for are gold, copper and associated minerals.

Sultan Kudarat and North Cotabato Exploration Project. The projects currently have pending applications for EP, denominated as EXPA No. 000070-XII-2007 covering 16,200 hectares of land situated in the Municipality of Columbio, Province of Sultan Kudarat and in the Municipality of Tulunan, North Cotabato; and EXPA No.000071-XII-2007 covering 15,950 hectares of land situated in the Municipality of Columbio, Province of Sultan Kudarat. Both applications were filed on April 16, 2007. The mineral commodities applied for are copper, gold, precious and base metals and other minerals.

Compostela Valley Exploration Project. These comprise of projects with pending applications for EP, denominated as EXPA Nos. 000210-XI filed on May 2008 and 000214-XI filed on June 2008 which cover 81 hectares of land and 169.5 hectares of land respectively. The mineral commodity applied for in these areas is gold. Another project has a pending application for MPSA, denominated as APSA No. 0001-XI filed on February 1991, covering 254.2 hectares of land situated in Ngan, Compostela Valley. Gold is the mineral commodity applied for.

Ilocos Norte Limestone Project. Ilocos Norte Mining Corp., Inc. is the assignee of MPSA No. 068-97-1 approved on June 6, 1997 covering a 1,284.5077 hectare contract area located in Batac, Espiritu, Nueva Era nd Pinili, Ilocos Norte.

Officers of Clariden

The implementation of the projects of Clariden is under the direct supervision and administration of the following:

- Horacio C. Ramos, who serves as the President of Clariden. Mr. Ramos is a holder of a Master's Degree in Mining Engineering and a Graduate Diploma in Mining and Mineral Engineering from the University of New South Wales, Australia, and a Bachelor of Science degree in Engineering from the Mapua Institute of Technology, Philippines. Prior to his engagement in Clariden, Mr. Ramos previously served in various divisions of the DENR, including as National Director of the MGB from March 1, 1996 to February 11, 2010 and Secretary of the DENR from February 12, 2010 to June 30, 2010.
- Ricardo L. Yabut, who serves as Special Assistant to the Chairman of Clariden. Mr. Yabut is a Certified Public Accountant and holds a Bachelor of Science degree in Accounting. Prior to his engagement in Clariden, Mr. Yabut served as Director and Treasurer of Eagle Cement Corporation.
- Nilda C. Magtoto, who serves as Clariden's Chief Finance Officer. Ms. Magtoto is a Certified Public Accountant and holds a Bachelor of Science degree in Business Administration and Accounting. Prior to her engagement in Clariden, Ms. Magtoto previously held finance and controllership positions in various companies, including SM Land, Inc. and Ayala Property Management Corp.