SEMIRARA MINING CORPORATION

November 8, 2013

THE PHILIPPINE STOCK EXCHANGE, INC.
3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Attn.: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

Re: Update Report on the Bobog Coal Deposit in
Semirara Island, Caluya, Antique, Philippines

Gentlemen:

We disclose hereto the Update Report dated October 15, 2013 received today, to Semirara Mining Corporation's (the "Corporation") Technical Report on Bobog Coal Deposit in Semirara Island, Caluya, Antique previously disclosed to the Exchange on September 10, 2012. We quote hereunder the Executive Summary as stated in said Update Report, as follows:

"EXECUTIVE SUMMARY

Located on the northeast end of Semirara Island and about a kilometer east of the existing Panian Mine, the Bobog coal deposit is the eastward extension of the Panian coal seams that were displaced more than 500 meters vertically downward by the north-south trending Panian Fault. Like Panian, the coal-bearing Semirara formation of Miocene age consists of alternating sequences of sandstones, siltstones, mudstones-claystones and coal seams. For this reason, the Panian seam nomenclature was adopted in this report.

The 2012 Technical Report on the Bobog coal deposit presented data on the 2008 to 2011 drilling results in the area. Poor core recovery in majority of the drillholes resulted in the exclusion of a considerable number of coal assay values and coal seams in the preparation of the 2012 PMRC-compliant report. To raise the percentages of core recoveries to acceptable levels, additional drilling work as undertaken in the Bobog area in 2012. The core recoveries in this additional drilling work were significantly improved. Of the sixty-one (61) holes drilled, only two (2) drillholes showed very poor core recovery.

Eleven (11) major and thirty seven (37) minor coal seems have been interpreted and correlated from the Bobog drillholes. The major coal seams are seams 10, 22, 23, 31, 32, 33, 41, 42, 43, 44, and 45. A coal seam is categorized as major seam if it contains at least one million metric tons of coal resources. Intersected thickness of major seams ranged up to 25 meters.

The Bobog database for most of the major seams is highly robust, especially in portions where resource is large. A total of 2,834 rows of data from the Bobog drillholes were reviewed. The major seams have significant data coverage. For minor seams, the database is not as robust because only few drillholes intersected them, and for this reason in-fill drilling is recommended.

The verification of the seam correlation and interpretation was also undertaken. In general, the major seams, because of their substantial thickness and persistent lateral continuity, are accurately correlated. Correlation of the minor seams, on the other hand, needs improvement.

Statistical review of the database, with (Filter 1) and without (Filter 2) core recovery filtering, showed that the difference in means of the coal quality parameters does not vary by more than 5%. The difference in the arithmetic mean of the heating value between Filter 1 and Filter 2 data sets varied by only 0.3%, while that for ash content varied by only 2.7%.

Data from all the one hundred eighty eight (188) holes drilled in the area have been utilized to come up with the updated coal seam model and resource estimates using Surpac. However, only coal quality data from drill holes with at least 90% core recovery were used to derive the tonnage-weighted average quality using inverse distance squared (IDW2) interpolation.

Using a cut-off value of 7,000 btu/lb (air-dried basis) and/or more than 40% ash content (air-dried basis) applied to seam composite quality on each drillhole and a minimum coal seam thickness of 0.5 m, the total coal resources above 300 meters below sea level are as follows:

Resource Category	Resource Estimate, metric tons	Ave. Heating Value, BTU/lb	Ave. Ash Content, %	Ave. Sulfur Content, %	Ave. Residual Moisture %
Measured	33,588,000	9,720	10.2	0.9	12.2
Indicated	25,711,000	9,700	10.4	1.0	12.2
Total M&I	59,299,000	9,700	10.3	1.0	12.2
Inferred	13,420,000	9,120	8.6	0.8	11.7

Owing to the significant tonnage of inferred resources deducted in this study, additional drilling is recommended to upgrade the category to measured and indicated resources. Resources falling within 100-meter radius from a drillhole intersection is categorized as measured; between 100-meter and 200-meter radius as indicated; and from 200-meter to 500-meter radius as inferred.

Comparison of the average coal quality values per seam computed from the statistical analysis of Filter 1 dataset versus those derived from the block models showed a wide variation in the difference of means, particularly in seams with too few sample size (N<10), suggesting more drillholes to intersect these seams.

Bobog coal rank ranges from Sub-bituminous B to Sub-bituminous A under the ASTM classification of coal. Coal quality is highly variable from seam to seam. However, in the Panian Mine, SMC can produce a consistent product quality that meets the coal grades of its customers in the power plant and cement industries by blending tonnages from different seams.

The presence of sizeable resource volume coupled with its proximity to all the facilities of Panian Mine warrants an immediate mining study, which may lead to the eventual exploitation of the Bobog coal deposit as immediate replacement of Panian Mine.

The Update Report was prepared by Engr. George B. Baquiran who currently holds the position of the Vice-President for Special Project of the Corporation, and based on his Certificate and Consent of Competent Person, his involvement with the Corporation started in the mid-1970s with the inception of work on Semirara Island in various capacities.

In the preparation of this Technical Report, Engr. Baquiran was assisted by external geologist, namely Leopoldo T. Virtucio and Lutgardo S. Larano, in the data validation, compilation, interpretation and preparation of this Update Report. He was further assisted by Nicco de Jesus, a statistician, in carrying out the analysis of the statistical distribution of the coal assay data. Mr. Elson J. Crisologo, the Corporation's Chief Geologist, with PRC Geologist Registration No. 482 and CP Registration No. 10-09-02, provided the database of the drillhole data, Surpac block model, geologic sections and plan maps and other necessary geologic information for the preparation of this Update Report.

In view of the foregoing, please find attached copy of the Update Report.

Thank you.

Very truly yours,

SEMIRARA MINING CORPORATION

By:

JOHN R. SADULLO
Corporate Secretary