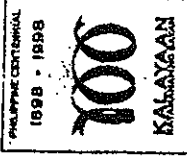




Republic of the Philippines
Office of the President
SECURITIES & EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
Mandaluyong City, Metro Manila



S.E.C. REG. NO. 40938

**CERTIFICATE OF FILING
OF
AMENDED ARTICLES OF INCORPORATION**


TO ALL TO WHOM THESE PRESENTS MAY COME, GREETINGS:

THIS IS TO CERTIFY that the amended articles of incorporation of the


**UNITED PARAGON MINING CORPORATION
(Amending Article VII thereof)**

copy annexed, adopted on March 4 & June 1, 1999 by a majority vote of the Board of Directors and the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Secretary and a majority of the Board of Directors of the corporation was approved by this Office on the 24th day of November nineteen hundred and ninety nine pursuant to the provision of Section 16 of the Corporation Code of the Philippines, Eatas Pambansa Blg. 68, approved on May 1, 1980, and attached to the other papers pertaining to said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Mandaluyong City, Metro Manila, Philippines, this 24th day of November, in the year of our Lord nineteen hundred and ninety nine.


SONIA M. BALLO
Director

Corporate and Legal Department

CERTIFIED MACHINE COPY
PAGE 1 OF 19 PAGES
VERIFIED BY: 


Secretary

AMENDED ARTICLES OF INCORPORATION

OF

UNITED PARAGON MINING CORPORATION

KNOW ALL MEN BY THESE PRESENTS:

That we, all of legal age, and residents of the Philippines, have this day voluntarily associated ourselves together for the purpose of forming a corporation under the laws of the Republic of the Philippines.

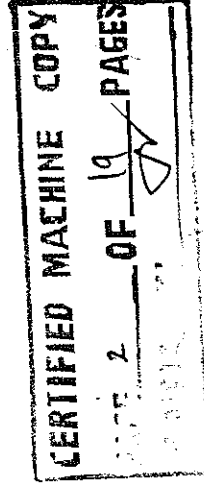
AND WE DO HEREBY CERTIFY:

First: That the name of this corporation shall be the UNITED PARAGON MINING CORPORATION.

Second: That the primary purpose for which this corporation is formed is to embark in the discovery, exploration, development and exploitation of minerals in all other forms in the Philippines and elsewhere and the business of mining in general in all of the phases and branches with all of its auxiliaries together with the businesses which are necessary and convenient to the efficient and economic prosecution of the above purpose.

Secondary purpose: That the secondary purpose for which the said corporation is formed are:

a. To embark in the discovery, exploration, development, exploitation of geothermal energy, minerals oils, petroleum in its natural state, rock or carbon oils, natural gas, other volatile mineral substances, and salt, or to mine, dig for or otherwise obtain from the earth the same substances as aforementioned and to manufacture, refine or prepare for market, buy and sell and transport the same in crude and refined condition;



and to engage, as may be permitted by law, in the business of, and/or investing in, mining, manufacturing, logging, contracting and servicing in addition to oil exploration.

b. To carry on a general import and export business in goods, wares, and merchandise of any and all kinds and nature whatsoever; to make and enter into all kinds of contracts, agreements and obligations with any person or persons, corporation or corporations or other association for the purchasing, acquiring, selling or otherwise disposing of goods, wares, and merchandise of all kinds either as principal or agent, upon commission, consignment, or indent orders, to act as agent or representative of corporations, business, transaction, or operation commonly carried on by manufacturers' agents; to purchase, hold, convey, sell, lease, let, mortgage, encumber, and otherwise deal with such real and personal property as the transaction of the lawful business of the corporation may reasonably and necessarily require and generally to perform any and all acts connected with the business above defined or arising therefrom or incidental thereto.

c. Conformably with law to undertake and carry on any business venture or enterprises whether manufacturing, agricultural, petrochemical, merchantile, trading, real estate, fiduciary, or otherwise which is or may be undertaken and carried on by persons as capitalist, merchants, contractors, agriculturists, agents, factors, or to otherwise, either directly itself in any other business venture or enterprise established for or carried on to engage in any such pursuit or pursuits; and so to do not only for its own benefit, but also in the capacity of agent, contractor, attorney for any other person, or firm or corporation.

That in the pursuance of such purposes, the corporation shall have the following

powers:

1. The searching and prospecting for ores and minerals and the location, leasing and registering and patenting of mineral claims of all sorts; the purchasing, leasing or exchanging or otherwise acquiring or taking an option of mineral properties, claims, rights, concessions, licenses and grants; the securing from the government of the Philippines or from any other authority or individual, municipal or otherwise, of easements, timber or water rights, or privileges, licenses and concessions, and the performance and the fulfillments of the conditions thereof; the carrying on of the business of metallurgists, contractors, assayers, manufacturers, importers, exporters, merchants, factors, agents, commission merchants and general brokers; the carrying on and engaging in the business of milling, concentrating, converting, smelting, treating, preparing for market, manufacturing, buying and selling, exchanging and otherwise producing and dealing in ores, minerals and metals;
2. To carry on the business of exploring for, mining, producing, acquiring, developing, manufacturing, storing, extracting, separating, refining, purifying, drilling, combining, mixing, marketing, distributing, buying and selling, and otherwise dealing in and turning into account, oil of all kinds and grades, petroleum, gas gasoline, carbon and hydro carbon products of all kinds, mineral ores, and the elements, constituents, products and by-products thereof.
3. To buy, exchange, contract for, lease, and in any and all other ways, acquire, take, held and own, and to deal in, sell, mortgage, lease or otherwise dispose, of lands, mining claims, rights, oil wells, gas wells, oil lands, gas lands, and other real property, and the rights and interests in and to real property, and to manage, operate, maintain, improve, and develop the said properties, and each and all of them.

CERTIFIED MACHINE COPY
PAGE 3 OF 19 PAGES
CORPORATION

4. To acquire gas and oil lands, leaseholds and other interest; to construct and maintain conduits, lines, tubing and piping for general purpose, well as for the use of the said corporation; to transport such oil and gas by means of such pipes, tank cars or otherwise, and to sell and supply pipes, pipe lines and storage to be used for the purposes of transporting and storing oil and gas, and to do a general pipe line and storage business;
5. To purchase, take, hold, own, lease, exchange or otherwise acquire, and develop, sell, mortgage, let and deal in oil-bearing, wells, and rights, and any and all interest whatsoever therein or thereto;
6. To construct and maintain gas wells, oil wells, and refineries, and to buy, sell, and deal in gas, oil and salt; to construct and maintain all railways, transways; to acquire, construct, and maintain, buildings, dwellings, stores, warehouses, machineries, plants, boats road and bridges, drills, sawmills and other effects whatsoever which the corporation may think proper to be acquired, constructed and/or operated for the pursuance of any of its purposes; to construct, maintain and operate telegraph and telephone lines convenient for the prosecution of business; to obtain and prepare for market such other valuable minerals as may be discovered in developing lands of the corporation.
7. To refine and manufacture petroleum oil into several products, and to transport, market, sell and dispose of the same. And to that end, to build, construct, buy, lease or otherwise acquire refineries with all necessary stills, storage tanks, pipe lines and all necessary transportation facilities, appliances, fitting and fixtures, and to hold, own operate, and maintain and to buy, lease or otherwise acquire and to hold and own lands and lease-holds for the erection thereon of the said refineries.
8. To carry, pipe, transport, store and market oil, gasoline, naphtha, hydrocarbons, and natural gas by pipe lines, steam and sailing vessels, boats, barges, or any other means or method of transporting or transportation not known or hereafter discovered. And to that end to lay, build, construct, buy, lease or otherwise acquire pipe lines or any and other size and character, with all pumping or compressor stations, storage tanks, machinery, appliances, reservoirs, chutes, together with all kinds of terminal and transfer facilities for railways and water transportation necessary or convenient for the operation of the same.
9. To do and engage in the construction, improvements, extension, maintenance and repair of oil or gas plants, including pipe lines, tanks and other appliances; also lumber, stone, brick, steel, iron and other materials pertaining thereto; also, in the opening, developing and operating of petroleum, gas and oil wells, both for the corporation and for others to the extent permitted by laws;
10. To manufacture, buy and sell and otherwise deal in gas and oil machinery and appliances; also lumber, stone, brick, steel, iron and other materials in connection with the building erection, construction, development, improvement, extension, maintenance and repair of the properties herein enumerated, both for this corporation and for others;
11. To purchase, exchange, appropriate or otherwise acquire, take hold and own and sell, mortgage, lease or otherwise dispose of water rights and water supplies, together with the necessary pipe lines, reservoirs, dams, ditches and appurtenances useful or necessary, for its own business, and to manage, operate, maintain, improve, extend or develop such water supplies.

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VERIFIED ✓

12. To improve, manage, develop, sell, assign, transfer, lease, mortgage, pledge, or otherwise dispose of or turn to account or deal with all or any part of the property of the corporation and from time to time and subject to existing laws, to vary any investment or employment of capital of the corporation.
13. To apply for, obtain, register, purchase, lease or otherwise to acquire and to hold, own, use, develop, operate and introduce, and to sell, assign, grant licenses or territorial rights in respect to, or otherwise to turn to account or dispose of, any copyrights, trade marks, trade names, brands, labels, patent rights, letters patent of the Philippines or of any other country, or government, inventions, improvements and processes, whether used in connection with or secured under letters patent or otherwise.
14. To do all and everything necessary, suitable and proper for the accomplishment of any of the purposes or the attainment of any of the object of the furtherance of any of the powers hereinbelow set forth, either alone or in association with other corporations, firms or individuals and to do away other act or acts, thing or things incidental or appurtenance to or growing out of or connected with the aforesaid business or powers or any part thereof, provided the same be not inconsistent with the laws under which this corporation is organized.
15. Insofar as may be permitted by law, to acquire by purchase or otherwise, and to hold for investment or otherwise and to use, sell, assign, transfer, mortgage, pledge, or otherwise deal with or dispose of stocks, bonds or any other obligations or securities of any corporation or corporations, to merge or consolidate with any corporation in such manner as may be permitted by law; to aid in any manner any corporation, or in which this corporation is in any way interested; and to do any other acts or things for the preservation, protection, improvement or enhancement of the value of any such stocks, bonds, or other obligations to exercise all the rights, powers, privilege or ownership thereof, and to exercise any and all voting powers thereon.
16. To purchase, become interested in, receive, own, hold, invest, and reinvest in, sell, negotiate, exchange, transfer, assign, mortgage, pledge, turn to account, realize upon, and otherwise acquire and dispose of securities of every kind, character and description, issued or created by, or secured upon the property, income or revenues of individual, associations; public and private corporations, the Philippines its agencies, and instrumentalities, or any territory, state, country, city, towns, district or other political subdivision, and to acquire or become interested in any such securities by subscription, purchase, exchange, or otherwise. The term "securities" whenever used herein, shall consist with the content, and without limiting the generality of the foregoing, include shares of stock (preferred, common and debentures), scrip, purchase or subscription warrants, option or other rights, voting trust certificates, certificates of interest or participation in any such profit sharing agreements or fractional interest in oil, gas or mineral rights, preorganization certificates, fractional or individual interest in oil, sharing agreements or preorganization contracts, evidences of interest, ownership, or indebtedness, call or time loans, notes, acceptances, bill of exchange, commercial paper, choses in action bonds, debentures, mortgages, collaterals trust certificates, and in general any interest or instrument commonly known as securities, or any certificate for, or receipt for, any of the foregoing, and any security, negotiable, secured or unsecured, and however described provided that the corporation shall not act as stock brokers.

17. To buy, sell, mortgage, encumber, hold, own, exchange, or rent or otherwise acquire and dispose of, and to develop, improve, manage, subdivide, and generally to deal and trade in real properties, improved and unimproved, wheresoever situated; and to build, erect, construct, alter and maintain buildings, structures, and other improvements on real property.

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18. To borrow and raise money for any of the purposes of the corporation, and, from time to time, with limit as to amount, to draw, make, accept, endorse, execute and issue bonds, debentures, notes, drafts, acceptances, bill of exchanges, warrants and other negotiable or non-negotiable instruments and evidences of indebtedness and other securities; and to secure the payment thereof and of the interest thereon by mortgages upon or pledge of, or conveyance or assignment in trust of, the whole or any part of the property and franchises of the corporation, real, personal, or mixed, tangible or intangible, and wheresoever situated, whether at the time owned or thereafter acquired; and to issue, sell, negotiate, pledge, or otherwise dispose of such bonds or other obligations of the corporations for its corporate purposes.

19. To acquire all or any part of the goodwill, rights, property and business of any individual, association or corporation; to pay for the same in cash or in shares, of stocks, bonds, notes or other obligations of corporation, or otherwise. To hold, utilize, operate, reorganize, liquidate, and in any manner dispose of the whole or any part of the good will, rights, property and business so acquired; to assume in connection therewith the whole or any part of the liabilities and obligations of any such persons, association or corporation; and to conduct in any lawful manner the whole of any part of the business thus acquired.

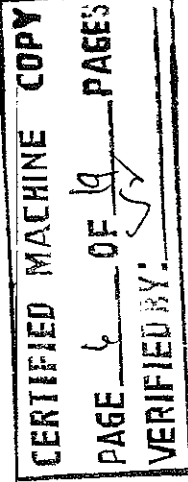
20. To have one or more outside office in the Philippines and to conduct its business and exercise its powers in any part thereof or in any country; to purchase, hold, convey, sell, lease, rent, mortgage, encumber or otherwise deal in such real and personal properties in any part of the Philippines or elsewhere as the purpose for which this corporation is formed may permit, and as may reasonably and necessarily required for the transaction of the lawful business of the corporation.

21. The purchasing and otherwise acquiring, the holding, operating, selling, and otherwise dealing in so far as the law permits of the units, stocks, securities, properties and assets, business goodwill, rights, franchises, contracts, and the assuming of liabilities and obligations of any person or persons, firm, association or corporation, or organization.

22. The borrowing of money with or without security; the issuing of warrants, bonds, debentures, and other negotiable and transferable instruments, secured or unsecured for such amounts or in exchange of or such properties as may be found advisable.

23. Without in any way particularly limiting any of the objects or purposes of the corporation, the corporation shall from time to time do any one or more or all of the acts and things herein set and all such other acts, things and businesses in any manner connected therewith, or necessary, incidental convenient or auxiliary thereto, or calculated directly or indirectly to promote the interests of the corporation or enhance the value of or render profitable any of its properties or rights as such corporation may lawfully do; and in carrying on its business, or for the purpose of attaining or furthering any of its objects, to do any and all acts and to exercise any and all other powers which a corporation or a natural person could do and exercise and which now and hereafter may be authorized by law, trustees, contractors, factors, lessors, lessees or otherwise either alone or in contractors conjunction with others and in any part of the world and in addition to have and to exercise all the rights, powers and privileges now or hereafter belonging or conferred upon corporations organized under the provisions of the law authorizing the formation of such corporation.

24. The foregoing clauses shall each be constructed as purposes, objects and powers, and it is hereby expressly provided that the foregoing enumeration of specific




purposes, objects and powers shall not be held to limit or restrict in any manner the powers of the corporation, and that they are in furtherance of, and in addition to, and not in limitation of, the general powers conferred upon the corporation by laws of the Philippines of otherwise; nor shall the enumeration of one thing be deemed to exclude another, although it be of like nature, not expressed.

Third: That the place where the principal office of the corporation is to be established shall be in Metropolitan Manila. (As amended on August 6, 1988)

Fourth: That the term for which said corporation is to exist is fifty (50) years from and after the date of incorporation.

Fifth: That the names and residences of the incorporators of said corporation are as follows:

NAME	NATIONALITY	ADDRESS
Fr. Florencio D. Samus	Filipino	Cabagan, Isabela
Teofilo Reyes, Jr.	Filipino	513 Buendia Ave., Ext. North Forbes Park Makati City
Lydia V. Reyes	Filipino	513 Buendia Ave., Ext. North Forbes Park, Makati City
Abelardo Valenzuela, Sr.	Filipino	584 MacArthur Highway Valenzuela, Bulacan
Teofilo D. Reyes, Sr.	Filipino	307 Quezon Blvd. Ext. Quezon City
Amando G. Reyes	Filipino	47 Timog Avenue Quezon City
Alfred Valenzuela	Filipino	30 Eugenio Perez Quezon City
Domingo F. de Guzman	Filipino	1251 Governor Forbes Sampaloc, Manila
Rafael G. Reyes	Filipino	66 Timog Avenue Quezon City
Pedro Manalac	Filipino	31 Nicanor Reyes Loyola Heights, Q.C.
Ponciano Samus	Filipino	San Pablo, Isabela

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VERIFIED BY: 

Eddie Manalac	Filipino	31 Nicanor Reyes Loyola Heights, Q.C.
Rose Marie K. Lazaro	Filipino	48 Joaquin San Lorenzo Village, Makati City
Encarnacion Hernandez	Filipino	109 K-2 nd Kamuning Q.C.
Magdalena Dizon	Filipino	55 A. Roces Avenue Q.C.

Sixth: That the number of directors of said corporation shall be seven (7) and that the names and residences of the directors of the corporation who are to serve until their successors are elected and qualified as provided by the by-laws are as follows, to wit:

NAME	NATIONALITY	ADDRESS
Teofilo Reyes, Jr.	Filipino	513 Buendia Avenue Ext. North Forbes, Makati City
Jesus Lim	Filipino	2421 Leon Guinto Street Malate, Manila
Wellington Sy	Filipino	1565-G Mafienza Street Manila
Bin Lim	Chinese	58-C Sta. Monica Street Pasay City
Jose Sy	Filipino	3951 Dangal Street Sta. Mesa
P. Florencio Samus	Filipino	17 Dr. Lazcano Street Quezon City
David Yu	British	8 Wyndham Street Central, Hongkong

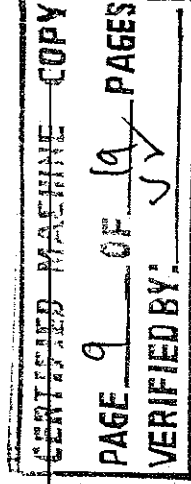
Seventh: That the capital stock of the Corporation is ONE BILLION NINE HUNDRED THREE MILLION FIVE HUNDRED THOUSAND PESOS (P1,903,500,000). Philippine currency and said capital stock is divided into: (a) Common stock consisting of 1,850,000,000 shares of the par value of P1.00 each share; (b) Class "A" Preferred Stock consisting of 13,500,000 shares of the par value of P1.00 each share; and (c) Class "B" Preferred Stock consisting of

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VERIFIED BY *[Signature]*

400,000 shares of the par value of P100 each share. (A amended on July 30, 1999)

Shares of stock of the corporation shall be subject to the following conditions:

1. Holders of common stock shall be the only stockholders entitled to vote, except as provided by law.
2. The holders of Class "A" preferred stock shall be entitled to be paid a cumulative yearly dividend at the rate of twenty percent (20%) per year, and no more, payable annually, on the dates to be fixed by the directors. Each certificate of Class "A" preferred stock shall be subject to redemption, and may at the option of the directors, on any dividend date, at anytime before May 5, 1992, be called and retired at the price of P0.01 for each share and the amount of dividends accrued and unpaid at the date of redemption.
3. The holders of Class "B" preferred stock shall not be entitled to any dividend. Each certificate of Class "B" preferred stock shall be subject to redemption at anytime before April 10, 1994 at the price of P100 for each share.
4. Preferred stock shall have the following rights, privileges and restrictions:
 - (a) Notices of intention to call and retire a certificate shall be given to the holder thereof thirty (30) days before the same is retired. Such notice shall be deemed given when served personally upon the owner of the certificate, or when placed in an envelop, postage prepaid, addressed to the holder of the certificate at his address as it appears in the books of the corporation and deposited in any Philippine post office.
 - (b) The holders of preferred stock shall not be entitled to any voice in the management of the corporation or to any voting powers at the stockholders meeting. The sole management of the corporation shall be in



the hands of the holders of common stock, and they alone shall be entitled to vote at meeting of the stockholders of the corporation.

(c) Preferred stock shall be non-participating but shall be convertible into any other stock or security of the corporation if authorized by the Board of Directors.

5. That no holder of the capital stock (common or preferred) whether said stock is now or hereafter authorized, shall have any right, as such stockholders to purchase or subscribe for any share of the capital stock, whether such shares of capital stock are now or hereafter authorized by the corporation.

6. That no transfer of stock or interest which will reduce the ownership of Filipino citizens to less than the required percentage of the capital stock shall be allowed or permitted to be recorded in the proper book, and this restriction shall also be indicated in all its stock certificates.

All the foregoing conditions shall be printed on the stock certificates to be issued by the corporation.

Eight: That the amount of said capital stock which has actually been subscribed is ONE MILLION PESOS (1,000,000.00) Philippine Currency, consisting of One Hundred Million shares and the following persons have subscribed for the number of

shares with indication of the amount of capital stock paid as set out after their respective names:

<u>NAME</u>	<u>No. of Shares</u>	<u>SUBSCRIBED</u>	<u>PAID-UP</u>
Fr. Florentino Samus	15,000,000	150,000.00	37,500.00
Teofilo Reyes, Jr.	15,000,000	150,000.00	37,500.00
Lydia V. Reyes	10,000,000	100,000.00	25,000.00
Abelardo Valenzuela, Sr.	5,000,000	50,000.00	12,500.00


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VERIFIED BY:

Teofilo D. Reyes Sr.	5,000,000	50,000.00	12,500.00
Amando G. Rey	5,000,000	50,000.00	12,500.00
Alfredo Valenzuela	5,000,000	50,000.00	12,500.00
Domingo F. de Guzman	5,000,000	50,000.00	12,500.00
Rafael C. Reyes	5,000,000	50,000.00	12,500.00
Pedro Manalac	5,000,000	50,000.00	12,500.00
Ponciano Samus	5,000,000	50,000.00	12,500.00
Eduardo Manalac	5,000,000	50,000.00	12,500.00
Rose Marie K. Lazaro	5,000,000	50,000.00	12,500.00
Encarnacion Hernandez	5,000,000	50,000.00	12,500.00
Magdalena Dizon	5,000,000	50,000.00	12,500.00
Total	100,000,00	₱ 1,000,000.00	₱250,000.00

Ninth: That Fr. Florencio Samus has been elected by the subscribers as Treasurer of the corporation to act as such until his successor is duly elected and qualified in accordance with the by-laws and that as such Treasurer, he has been authorized to receive for the corporation and to receipt its name for all subscriptions paid in by said subscribers.

IN WITNESS WHEREOF, we have hereunto set our hands this 7th day of April 1970 in Quezon City, Philippines.

(SGD.) FLORENCIO SAMUS (SGD.) TEOFILO REYES, JR.
 (SGD.) LYDIA V. REYES (SGD.) ABELARDO
 VALENZUELA, JR.
 (SGD.) TEOFILO REYES SR. (SGD.) AMANDO C. REYES
 (SGD.) ALFRED VALENZUELA (SGD.) DOMINGO F. DE
 GUZMAN
 (SGD.) RAFAEL C. REYES (SGD.) PEDRO MANALAC

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 VERIFIED BY: 

(SGD.) PONCIANO SAMUS (SGD.) EDDIE MANALAC
(SGD.) SE MARIE LAZARO (SGD.) ENCARNACION
HERNANDEZ

(SGD.) MAGDALENA DIZON


SIGNED IN THE PRESENCE OF:

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
QUEZON CITY) S.S.

BEFORE ME this 7th day of April 1970 personally appeared:

NAME	RES.CERT. NO.	ISSUED AT	DATE
Fr. Florencio Samus	82902	Manila	Jan. 3, 1970
Teofilo Reyes, Jr.	82910	Manila	Jan. 7, 1970
Lydia V. Reyes	82920	Manila	Jan. 16, 1970
Abelardo Valenzuela, Sr.	82911	Manila	Jan. 7, 1970
Teofilo Reyes, Sr.	4307560	Q.C.	Jan. 15, 1970
Amando G. Reyes	194477	Manila	Jan. 2, 1970
Alfredo Valenzuela	5876153	Manila	May 23, 1970
Domingo F. de Guzman	4901665	Angat, Bulacan	Jan. 19, 1970
Rafael G. Reyes	4707564	Q.C.	Jan. 14, 1970
Pedro Manalac	4278119	Q.C.	Jan. 7, 1970
Ponciano Samus	3049179	San Pablo Isabela	March 25, 1970
Eduardo Manalac	4041556	Q. C.	Jan. 7, 1970
Rose Marie Lazaro	82901	Manila	Jan. 3, 1970

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VERIFIED BY: 

Encarnacion Hernandez	82907	Manila	Jan. 7, 1970
Magdalena Dizon	82916	Manila	Jan. 14, 1970

all of whom are known to me and to me known to be the same persons whose names are subscribed and who executed the foregoing Articles of Incorporation, and acknowledged to me that they executed the same as an act of their free will and deed.

Doc. No. 144;
Page No. 30;
Book No. 46;
Series of 1970.

(SGD.) M.M. TABUSO
Notary Public
Until December 31, 1971

1210-2001
article/ART-UPMC

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VERIFIED BY: _____

CERTIFICATE OF DECREASE OF CAPITAL STOCK
OF

UNITED PARAGON MINING CORPORATION

We, the undersigned, majority of the members of the Board of Directors of UNITED PARAGON MINING CORPORATION, (the "Corporation"), the Chairman and Secretary, respectively, of the annual stockholders' meeting of the Corporation held on July 30, 1999

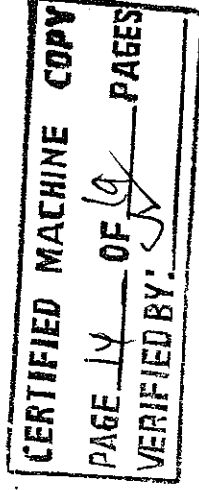
DO HEREBY CERTIFY:

I

That the annual meeting of the stockholders of the Corporation was held at the Morong Room, Valle Verde Country Club, Pasig City on July 30, 1999 to take up, among other things, the proposed decrease of the authorized capital stock of the corporation from THREE BILLION TWENTY SEVEN MILLION PESOS (3,027,000,000.00) to ONE BILLION NINE HUNDRED THREE MILLION FIVE HUNDRED THOUSAND PESOS (1,903,500,000.00).

II

That notice of the proposed decrease of the capital stock, and the time and place of the stockholders' meeting at which the proposed decrease of capital stock was to be considered, was given to each stockholder of record as provided in the by-laws.



III

That pursuant to said notice, there appeared at the said meeting in person and by proxy, stockholders holding at least two-thirds (2/3) of the outstanding capital stock of the corporation.

IV

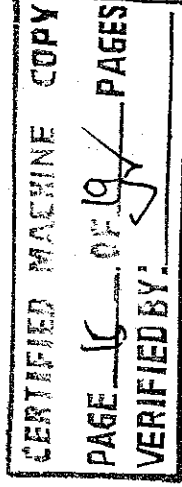
That Mr. Alfredo C. Ramos and Atty. Augusto B. Sunico acted as Chairman and Secretary, respectively, of the meeting.

V

That at the said meeting, upon motion duly made and seconded, the following resolutions were adopted by the vote of the stockholders present or represented by proxy, constituting more than two-thirds (2/3) of the entire capital stock outstanding:

"RESOLVED, that the stockholders of UNITED PARAGON MINING CORPORATION (the "Corporation") approve and ratify, as they hereby approve and ratify, the following resolutions of the Board of Directors of the Corporation:

- (i) the decrease of the Corporation's outstanding capital stock by fifty percent (50%) in order to reduce company deficit, and accordingly, the decrease of its authorized capital stock from P3,027,000.00 to P1,903,500.00;
-
- (iii) the amendment of Article Seventh of the Amended Articles of Incorporation to reflect the aforementioned changes.
- (iv) the reclassification of 2,200,000 unissued Preferred "B" shares to common shares;



(v) the change of the par value of preferred "A" shares from P0.01 to P1.00 per share; and

"RESOLVED, that the stockholders amend, as they hereby amend, Article Seventh of the Amended Articles of Incorporation to reflect the decrease in the Corporation's outstanding capital stock by fifty percent (50%) in order to reduce company deficit, and accordingly, to decrease its authorized capital stock from P3,027,000,000.00 to P1,903,500,000.00, to read as follows:

'Seventh. That the capital stock of the Corporation is ONE BILLION NINE HUNDRED THREE MILLION FIVE HUNDRED THOUSAND PESOS (P1,903,500,000.00), Philippine currency, and said capital stock is divided into (a) common stock consisting of 1,850,000,000 shares of the par value of P1.00 per share; (b) Class "A" Preferred stock consisting of 13,500,000 shares of the par value of P1.00 per share and (c) Class "B" Preferred stock consisting of 400,000 shares of the par value of P100.00 each.'

.....

AND RESOLVED, FINALLY, that the proper officers of the Corporation be as they are hereby authorized and directed to do all acts or things as may be necessary, requisite or proper to fully implement the foregoing resolutions."

VI

That as above set forth, all the requirements of Section 38 of the Corporation Code of the Philippines have been complied with.

VII

That the aggregate amount of the decrease in the authorized capital stock of said corporation is ONE BILLION ONE HUNDRED TWENTY THREE MILLION FIVE HUNDRED THOUSAND PESOS (P1,123,500,000.00), Philippine

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Currency, thereby decreasing the present authorized capital stock of the said corporation from THREE BILLION TWENTY SEVEN MILLION PESOS (3,027,000,000.00) to ONE BILLION NINE HUNDRED THREE MILLION FIVE HUNDRED THOUSAND PESOS (1,903,500,000.00).

VIII

That in connection with the said decrease of authorized capital stock, the present subscribed and paid-up capital stock totalling to P1,841,910,574.00 will be correspondingly decreased by 50% or by P920,955,287.00, such that after the decrease, the outstanding capital stock would be P920,955,287.00.

The amount of P920,955,287.00 representing the reduction in the Corporation's subscribed and paid-up capital stock as aforesaid shall be used to offset against or to reduce the Corporation's deficit to the extent of the said amount.

A summary of the Corporation's capital structure before and after the capital decrease is shown below:

	<u>Present</u>	<u>Decrease</u>	<u>As Decreased</u>
Authorized Capital Stock:			
Common	P2,500,000,000	P650,000,000 ¹	P1,850,000,000
Preferred "A"-	27,000,000	13,500,000	13,500,000
Preferred "B"-	<u>500,000,000</u>	<u>460,000,000²</u>	<u>40,000,000</u>
	<u>P3,027,000,000</u>	<u>P1,123,500,000</u>	<u>P1,903,500,000</u>

¹ Inclusive of P220,000,000 worth of unissued Preferred "B" shares reclassified to Common Shares.

² Consist of (i) P220,000,000 - reclassification to Common Shares; (ii) P200,000,000 - retirement of previously issued but redeemed shares; and (iii) P40,000,000 - 50% decrease in subscribed and paid-up capital stock.

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Subscribed and Paid-up:

Common	-	1,734,910,574	867,455,287	867,455,287
Preferred "A"-		27,000,000	13,500,000	13,500,000
Preferred "B"-		<u>80,000,000</u>	<u>40,000,000</u>	<u>40,000,000</u>
		<u>1,841,910,574</u>	<u>920,955,287</u>	<u>920,955,287</u>

IX

That the actual indebtedness of the Corporation at the time of the stockholders' meeting was approximately P913,459,142.

X

That no bonded indebtedness on the part of the Corporation has been created, incurred or increased at the time of the said meeting.

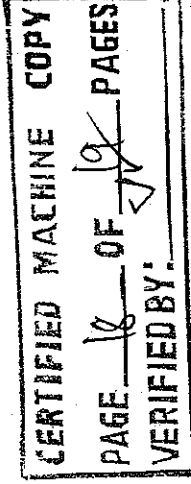
XI

That present or represented at the meeting were stockholders owning or representing at least two-thirds (2/3) of the entire outstanding capital stock of the Corporation who unanimously voted in favor of the decrease of capital stock and the amendment to the Articles of Incorporation.


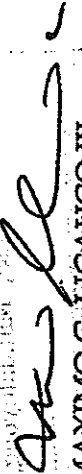
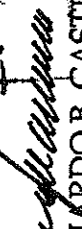
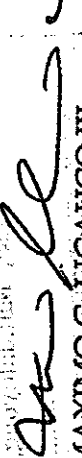
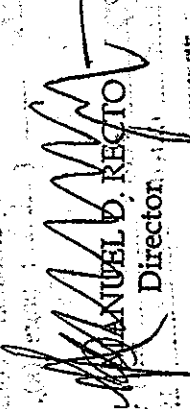
XII

That the decrease of the authorized capital stock was likewise approved by the vote of a majority of all the directors at their meeting held on June 1, 1999.


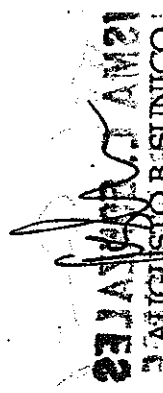
IN WITNESS WHEREOF, the undersigned directors of UNITED PARAGON MINING CORPORATION have signed this Certificate of Decrease of Capital Stock, and the undersigned Chairman and Secretary of the aforesaid



stockholders' meeting have countersigned the same this 6th day of August, 1999 at Makati City.

 RICARDO MIGUEL S. RAMOS Director	 CARLOS G. DOMINGUEZ Director
 EDUARDO B. CASTILLO Director	 MAXIMO G. LICAUCO III Director
 MANUEL D. RECTO Director	

COUNTERSIGNED BY:

 ALFREDO C. RAMOS Chairman of the Meeting/Director	 AUGUSTO B. SUNICO Secretary of the Meeting/Director
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Lipmic 1.apa(cert decrease)

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