

07 August 2008

Philippine Stock Exchange, Inc.
4/F Philippine Stock Exchange Center
Exchange Road, Ortigas Center
Pasig City

Attention: **Atty. Pete M. Malabanan**
Head, Disclosure Department

Re: **GEOGRACE Resources Philippines, Inc.**

Gentlemen:

Please be advised that GEOGRACE Resources Philippines, Inc. ("GEOGRACE") together with NiHAO Mineral Resources International, Inc. ("NiHAO") signed today, 07 August 2008, a Cooperation Agreement (the "Cooperation Agreement") with Jiangxi Rare Earth & Rare Metals Tungsten Group Co. ("Jiangxi") (GEOGRACE, NiHAO and Jiangxi shall collectively be referred to as the "Parties"). Pursuant to the Cooperation Agreement, the Parties agreed to form a strategic partnership to jointly explore and develop the nickel mining tenements directly or indirectly, held by NiHAO and GEOGRACE located in the province of Zambales, as more particularly described below:

A. GEOGRACE Tenements

Affiliate Company	EPA #	location	Area (has.)
Nickelodeon Mines, Inc.	AEP-III-08-07	Palauig and Tarlac	9,958
Ophiolite Mining, Inc.	EPA-106-III	Masinloc, Zambales	1,996.00
Garnierite Mining, Inc.	AEP-III-16-06 EPA-000063-III	Botolan and Cabangan	12,957
Saprolite Mining, Inc.	AEP-III-17-06 EPA-000064-III	San Felipe and San Narciso	2,029
Saprolite Mining, Inc.	AEP-III-22-06 EPA-000069-III	Cabangan and San Felipe	3,474
		Total	30,414

B. NiHAO Tenement

Affiliate Company	EPA #	location	area (has.)
Mina Tierra Gracia, Inc.	EP-001-2008-III	Botolan	5,081.6410

The Cooperation Agreement likewise provided for the following cooperation arrangements among the Parties:

- 1) the formation of a Joint Venture (JV) company to conduct venture exploration on the nickel mining tenements, directly or indirectly, held by NiHAO or GEOGRACE, subject to such equity ownership and other terms and conditions as may be subsequently agreed upon by the parties;
- 2) the establishment of a joint venture processing plant for nickel and cobalt in the Philippines, subject to a detailed exploration work program and feasibility study; and
- 3) the execution of an Offtake Agreement subject to terms and conditions to be agreed upon by the parties.

These proposed cooperation arrangements shall be covered by definitive agreements upon completion by the Parties of their technical and legal due diligence of the parties and the respective mining tenements described herein.

Jiangxi is one of the major non-ferrous metals producers of China mainly focusing on exploration, mining, beneficiation, smelting, and downstream processing of tungsten, molybdenum, rare earth & rare metals, and other metals.

Very truly yours,


ARSENIO C. CABRERA, JR.
Corporate Information Officer