



**GEOGRACE RESOURCES
PHILIPPINES, INC.**
20th Floor, The PEAK Tower
107 L.P. Leviste Street
Salcedo Village, Makati City
1227 Philippines

06 August 2008

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

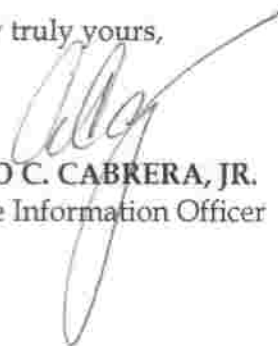
Attention: **Atty. Pete M. Malabanan**
Head, Disclosure Department

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

Gentlemen:

Please be advised that GEOGRACE Resources Philippines, Inc. (the "Company") executed today, 06 August 2008, an Operating Agreement with Mr. Alfredo F. San Miguel, Jr., Ms. Dolores Z. Hassall, Ms. Ma. Cristina Z. Cuenca, Ms. Ma. Trinidad Z. Tan, Heirs of Jose Marino A. Zayco, Heirs of Arturo A. Zayco, Jr. and Ms. Josephine Marie Z. Lizares, to explore, develop, and operate the latter's gold and copper property represented by a Mineral Production Sharing Agreement ("MPSA") denominated as MPSA-218-2005-VII, which covers an area of approximately Five Hundred Five and 4626/10000 hectares (505.4626 has) situated at Ayungon, Negros Oriental.

Very truly yours,


ARSENIO C. CABRERA, JR.
Corporate Information Officer