

Philex Mining Corporation
Board Risk Oversight Committee Charter

I. Introduction

Philex Mining Corporation's (PMC or the "Company") Charter of the Board Risk Oversight Committee (BROC or the "Committee") sets forth the BROC's purposes, authority, duties and responsibilities, structure and procedures, which shall guide the Committee as prescribed by the Company's Revised Manual on Corporate Governance ("RMCG"). The Committee shall conduct an annual review and assessment of this Charter, and recommend to the Company's Board of Directors (the "Board") revisions, as it may deem necessary and beneficial to the efficient performance of its functions.

II. Purpose, Authority, Duties and Responsibilities

1. Purpose

The primary purpose of the Committee is to assist the Board in assessing and managing enterprise risks, including financial, regulatory, strategic and operational risks, and ensuring that there is an effective and integrated risk management process developed for the benefit of the Company and its shareholders. discharging other duties and powers as may be delegated to the Committee by the Board, subject to such limitations as the Board may determine.

2. Authority

- 2.1. The Committee shall report directly to the Board on its decision or recommendation.
- 2.2. The Committee may require Management to provide it with such corporate records and other documents as may be necessary or appropriate for the Committee to discharge its functions effectively.
- 2.3. The Committee is authorized to obtain external legal and other independent professional firms with relevant experience and expertise, to assist and advise the Committee on matters it considers necessary. The Committee shall in consultation with the Board have authority to approve all reasonable related fees and terms of engagement of the external advisers/consultants, which fees shall be borne by the Company.

3. Duties and Responsibilities

Enterprise risk management is integral to an effective corporate governance process and the achievement of a company's value creation objectives. Thus, the BROC has the responsibility to assist the Board in ensuring that there is an effective and integrated risk management process in place. With an integrated approach, the Board and top management will be in a confident position to make well-informed decisions, having

taken into consideration major risks related to significant business activities, plans and opportunities.

The BROC has the following duties and responsibilities, among others:

- a. Develop a formal enterprise risk management plan which contains the following elements:
 - i. register of risks,
 - ii. well-defined risk management goals, objectives and oversight,
 - iii. uniform processes of assessing risks and developing strategies to manage prioritized risks,
 - iv. designing and implementing risk management strategies, and,
 - v. continuing assessments to improve risk strategies, processes and measures;
- b. Oversee the implementation of the enterprise risk management plan through a Management Risk Oversight Committee (MROC). The BROC shall conduct regular discussions on the company's prioritized and residual risk exposures based on regular risk management reports and shall assess how the concerned units or offices are addressing and managing these risks;
- c. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The BROC shall revisit defined risk management strategies, look for emerging or changing material exposures, and stay abreast of significant developments in the industry that may seriously impact the likelihood of harm or loss;
- d. Advise the Board on its risk appetite levels and risk tolerance limits;
- e. Review at least semi-annually the Company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impact on the Company's operations;
- f. Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the Company and its stakeholders;
- g. Provide oversight over Management's activities in managing financial, regulatory, strategic, operations risks and other risk exposures of the corporation. This function includes regularly receiving information on risk exposures and risk management activities from Management; and,
- h. Report to the Board on a regular basis, or as deemed necessary, the Company's material risk exposures, the actions taken to reduce the risks, and recommend further action or plans, as necessary.

III. Composition

1. The Committee shall consist of at least three (3) members, majority of whom should be independent directors.
2. The Chairman of the Committee (the "Chairman") shall be an Independent Director.
3. The office of a Member shall *ipso facto* be vacated:
 - i. if he resigns as a Member of the Committee or of the Board;
 - ii. if he is removed by a resolution of the Board;
 - iii. if he is declared to be incompetent or of unsound mind; or
 - iv. if he is subsequently disqualified from becoming a Member.

A Member shall be disqualified from being part of the Committee during the remainder of his tenure if, upon determination by the Board or Nomination Committee, he ceases to meet the qualifications for directorship, or he becomes disqualified from directorship based on any grounds for disqualification set forth in the recently-issued RMCG.

4. The Board may, from time to time, vary the composition of the Committee as may be required by the Securities and Exchange Commission (SEC) or other codes, rules and regulations as may be prescribed by the applicable regulatory authority.
5. The Company's Corporate Secretary or his/her nominee shall be the Secretary of the Committee.

IV. Committee Procedures

1. Meetings

1.1 Frequency

The Committee shall meet at least twice in a calendar year. In addition, the Committee's Chairman may convene additional meetings at his discretion, and at such other time as the Committee may consider appropriate and necessary to perform its responsibilities.

1.2 Notice

- a. Notice of any meetings of the Committee will be given at least five (5) days prior to any such meeting being held unless all Members unanimously waive such notice; provided however that the Chairman of the Committee, *motu proprio* or at the request of the Chairman of the Board or of the CEO, may

call the meeting at shorter notice when the circumstances so require. Irrespective of the length of notice being given, attendance in a meeting by a Member shall be deemed a waiver of the notice requirement.

- b. Each Member shall give to the Secretary of the Committee a mailing address, an electronic mail address (e-mail) and a facsimile number for the service of notices of meetings of the Committee.
- c. Notice of a meeting of the Committee shall be deemed duly served upon a Member if it is given to him personally, or sent to him by mail, e-mail or facsimile transmission to his address or facsimile number on file with by the Secretary of the Committee.

1.3 Quorum

A majority of the members of the Committee shall constitute a quorum, provided that the majority must always include an independent, non-executive director.

If after the lapse of thirty (30) minutes from the scheduled time of the meeting, a quorum is not reached, the meeting shall be adjourned until such date, time and place as the Chairman may determine.

2. Attendance

2.1 The Committee may invite the Chairman of the Board, other Directors, external advisers and/or any other persons who have specific responsibility for, or interest or expertise in, the subject under review to attend all or part of any meetings of the Committee.

2.2 Members may participate in a meeting through tele/ videoconferencing in accordance with the provisions of Securities and Exchange Commission Memorandum Circular No. 15 dated November 20, 2001.

2.3 Only Members are entitled to vote at Committee meetings.

2.4 In the absence of the Chairman and/or an appointed deputy, the remaining Members present shall elect one of the Members to chair the Committee meeting.

3. Escalation

The Committee shall timely refer to the Board its recommendations or decisions which require ratification or approval by the Board or as it may deem necessary or proper.

4. Resolutions

4.1 Every resolution of at least a majority of the Members present during the meeting at which a quorum is present shall be valid.

4.2 A resolution in writing signed by all Members shall be as valid and effective for all purposes as a resolution of the Committee passed at a meeting of the Committee duly convened, held and constituted. A written notification of confirmation of such resolution in writing sent by a Member shall be deemed to be his signature to such resolution in writing for such purpose. Such resolution in writing may be signed in counterparts.

5. Minutes and Records

5.1 The Secretary of the Committee shall keep full minutes of all Committee meetings. Draft minutes of meetings of the Committee shall be sent to all Members for their comments within a reasonable time after the meeting. Final version of the minutes, duly signed by the Chairman, shall be sent to all Members for their records.

5.2 The Secretary of the Committee shall keep the following records:

- a. appointments and resignation of the Members;
- b. all agenda and other documents sent to the Members;
- c. minutes of proceedings and meetings of the Committee; and,
- d. such other documents as may be necessary in the performance of the Committee's functions.

5.3 Any such records shall be open for inspection by any Member at reasonable hours on business days. Demands for inspection must be made in good faith and for a legitimate purpose. Any cost arising from the conduct of inspection shall be borne by the Member requesting for inspection.

5.4 Minutes of any meeting of the Committee, if purported to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be conclusive evidence of the proceedings and resolutions of such meeting.

V. Remuneration of Members

Except for the reasonable per diems approved by the Board for such purposes, no fees or other remuneration shall be payable to the Members in respect of their services under this Charter.

No fees or compensation shall be paid directly or indirectly to any Member or his firm for consultancy or advisory services rendered to the Company directly by the Member or indirectly through his firm. However, this prohibition shall not apply to ordinary compensation paid to a Member or his firm in respect of any business relationship or transaction determined to be at arm's length terms and could not materially interfere with or influence the exercise of his independent judgment.

VI. Amendment

This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.