



Confirmation statement from Philex's Audit Committee:

February 24, 2017

**The Audit and Risk Management Committee**

First Pacific Company Limited  
24<sup>th</sup> Floor, Two Exchange Square  
8 Connaught Place  
Hong Kong

Dear Committee Members,

This is to inform you that the Audit Committee of Philex Mining Corporation (Philex) has conducted a review of the effectiveness of Philex Group's (including its subsidiaries, major associated companies and joint ventures, except Philex Petroleum) internal control systems for the six-month period ended 31 December 2016. The review covered all material controls, including financial, operational and compliance controls.


Please refer to the attached summary report for the six-month period ended 31 December 2016 highlighting the major internal control issues and the remedial actions taken.

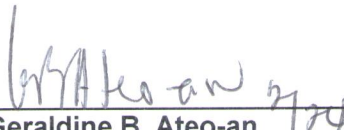
Based on our review of the internal audit reports, and discussion with the internal and external auditors and with the Management, we would like to confirm that the internal controls (including financial, operational and compliance controls) of Philex Group are adequate and effective.

We have not noticed any material deviation from local as well as Hong Kong Listing Rules requirements, including Inside Information.

We hope that this letter suffice your requirements.

Sincerely yours,

  
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**Oscar J. Hilado**  
Chairman of the Audit Committee  
Philex Mining Corporation

  
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**Geraldine B. Ateo-an**  
Head of the Internal Audit Department  
Philex Mining Corporation