I. POLICY STATEMENT

Philex Mining Corporation ("PMC" or the "Company") is dedicated to doing business in accordance with the highest standards of ethics. The Company, its directors, officers and employees endeavour to promote a culture of good corporate governance by observing and maintaining its core business principles of **integrity, teamwork, work excellence, respect for individuals, corporate responsibility, social and environmental responsibility** in their relationships among themselves and with the Company's customers, suppliers, competitors, business partners, other stakeholders, regulators and the public.

This Code of Business Conduct and Ethics (the "Code") sets forth the Company's business principles and values which shall guide and govern all business relationships of the Company, its directors, officers and employees, including their decisions and actions when performing their respective duties and responsibilities.

II. THE FOUNDATION OF BUSINESS ETHICS: PRINCIPLES AND VALUES

In simple terms, the spirit of the Code means that all actions of the Company, its directors, officers and employees must, at all times, be consistent with the principles of **integrity**, **teamwork**, **work excellence, respect for individuals, corporate responsibility and social & environmental responsibility**, which are defined as follows:

A. **Integrity** – We practice honesty and sincerity in word and in deed. We honor commitments and speak up when situation warrants commendation or correction.

B. **Teamwork** – We listen to and consider ideas and points of view of others. We extend help and respect roles of others in doing the job. We acknowledge team effort in success and collective responsibility over failure.

C. **Work Excellence –** We produce work results in a timely, accurate and safe manner. We learn, innovate, amend and improve services and processes, and consistently deliver superior quality of work.

D. **Respect for Individual** - We practice gender and cultural sensitivity. We show authentic concern to promote individual welfare. We examine own biases and behaviour to avoid judgmental reactions.

E. **Corporate Responsibility** – We advocate our Company as a responsible mining company. We manifest core values in both professional and personal circumstances, and uphold the code of conduct or equivalent policies.

F. **Social & Environmental Responsibility** – We show genuine concern to host communities and improve quality of life of community members. We support and practice environmental, safety and health guidelines of the Company. We actively participate in Company's development and environmental programs.

III. STANDARDS OF BUSINESS CONDUCT AND ETHICS

Below are the commitments of the Company, its directors, officers and employees in their behavior and various business dealings.

Compliance

1. Engage in honest conduct and comply with all applicable laws, rules and regulations, including prohibitions on insider trading, both in letter and spirit. Demands brought on by prevailing business conditions or perceived pressures are not excuses for violating any law, rules or regulations.

2. Personally adhere to the standards and restrictions imposed by those laws, rules and regulations.

3. Avoid the direct or indirect commission of bribery and corruption of representatives of government or regulators to facilitate any transaction or gain any perceived or actual favor or advantage, excluding permissible additional payments for routine governmental actions allowed by applicable laws and regulations.

Competition and Fair Dealing

1. Avoid taking unfair advantage of anyone through manipulations, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.

2. Deal fairly with the Company's customers, service providers, suppliers, competitors and employees.

Confidentiality of Information and Proper Use of Property

1. Maintain and safeguard the confidentiality of information entrusted by the Company, its subsidiaries, affiliates, customers, business partners, stakeholders or such other parties with whom the Company relates, except when disclosure is authorized or legally mandated. Confidential information includes any non-public information that might be of use to competitors, or harmful to the Company, its subsidiaries, affiliates, customers, business partners, or such other parties with whom the Company relates, if disclosed.

2. Follow Company policy and applicable laws regarding business records retention. Ensure that records are not altered, concealed, destroyed or falsified to impede, obstruct or influence any investigation by, or proceeding before any official Company committee or body, governmental, regulatory or judicial body having jurisdiction.

3. Avoid trading any of the Company's securities or those of its subsidiaries and affiliates using price sensitive information that is not normally available publicly, and obtained by reason of position, contact within, or other relationship with the Company.

4. Use Company property and resources, including Company time, supplies and software, efficiently, responsibly and only for legitimate business purposes.

5. Protect the assets of the Company from loss, damage, misuse or theft.

Conflicts of Interest and Corporate Opportunities

1. Avoid any actual or apparent conflicts of interest between your private interest, including the private interest of member of your family, and the interest of the Company, unless you have obtained prior approval by the Corporate Governance Office. Any actual or apparent conflict of interest, and any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest, should be disclosed to the Corporate Governance Office.

2. Avoid activities and interest that could significantly affect the objective or effective performance of duties and responsibilities in the Company, including business interests or unauthorized employment outside the Company, the receipt from and giving of gifts to persons or entities with whom the Company relates, as well as insider dealing.

3. Be loyal to the Company. As such, all business decisions and actions must be based on the best interest of the Company and must not be motivated by personal considerations and other relationships, which may interfere with the exercise of independent judgment.

4. Advance the Company's legitimate interests when the opportunity arises. Avoid competing with the Company on a business opportunity or acquiring an interest adverse to that of the Company's. Refrain from taking advantage for personal gain, to compete with the Company, or act against the best interest of the Company. Directors, officers and employees who intend to make use of Company property or services in a manner not solely for the benefit of the Company should consult beforehand with the Corporate Governance Office.

5. Refrain from direct or indirect, grant or arrangements of loans to any director or officer, including loans granted or arranged by the Company's subsidiaries and affiliates, unless such grant or arrangement is allowed by all applicable laws and regulations.

Disclosure

1. Publicly disclose all material information (i.e. anything that could potentially affect share price, as well as other information), including earning results, corporate strategy, related party and off-balance sheet transactions, as may be necessary under applicable laws, rules and regulations.

2. To the extent relevant to your area of responsibility, comply with the Company's disclosure controls and procedures and internal controls to ensure that (i) financial and non-financial information is properly recorded, processed, summarized and reported and (ii) the Company's public reports and documents, including the reports that the Company files with the Philippine Securities and Exchange Commission and such other

applicable private exchanges, government agencies or regulators, comply in all material respects with the applicable laws and rules.

3. Each director or officer, to the extent appropriate within his or her area of responsibility, should consult with other Company officers and employees and take other appropriate steps regarding the above mentioned disclosures with the goal of making full, accurate, timely and understandable disclosure.

4. Be familiar with the disclosure requirements applicable to the Company as well as the business and financial operations of the Company.

5. Do not knowingly misrepresent, or cause others to misrepresent, facts about the Company to others, whether inside or outside the Company, including to the Company's independent auditors, government regulators and self-regulatory organizations.

6. Properly review and critically analyze proposed disclosure for accuracy and completeness (or, where appropriate, delegate this task to others).

7. Assess the effectiveness of the disclosure controls and procedures and internal controls and take corrective actions with regard to any identified weaknesses or deficiencies.

Risk Management

1. Restrict or minimize undertaking of risk so as not to jeopardize shareholder value.

2. Fully assess and manage risks involved in undertaking strategies, acquisitions, activities, products, services and other business endeavors of the Company.

Relations With Shareholders And Investors

1. Adopt strategies, actions, decisions, and transactions based on increasing shareholder value.

2. Adopt international best practices of good corporate governance in the conduct of business.

3. Keep business and accounting records, which accurately reflect the financial position of the business and issue financial statements to ensure transparency of information.

4. Ensure an independent audit of the Company's financial statements by external auditors selected by the Company's Audit Committee.

5. Communicate truthfully and regularly business policies, achievements and prospects.

IV. IMPLEMENTATION AND MONITORING OF CODE

1. Directors, officers, and employees of the Company commit to comply with both the letter and spirit of this Code and the Company endeavors to obtain the same commitment from its business partners. In this connection, directors and officers should explain to employees and business partners the Company's principles and values set forth in this Code, and emphasize the importance of conducting

themselves in accordance with the standards set by this Code in order to attain financial rewards for the Company and to deter wrongdoing.

2. The Corporate Governance Office is responsible for applying the Code to specific situations in which questions or concerns may arise, and has the authority to interpret and decide on such issues arising from the implementation of the Code.

3. There shall be no waiver of any of the provisions of this Code in favor of any directors, officer or employee, except when expressly granted by the Board of Directors, in the case of waivers for directors and officers, or by the Corporate Governance Office in the case of waivers for employees. Any such waiver for any director or executive officer or any material amendment to the Code must be promptly disclosed to the shareholders of the Company.

4. Any director, officer or employee is encouraged to contact the Corporate Governance Office when in doubt about the best course of action in a particular situation relating to a subject matter of the Code.

5. Any director, officer or employee who is aware of any existing or potential violation of the Code is required to notify the Corporate Governance Office promptly. The Corporate Governance Office shall take all action it considers appropriate to investigate any violations reported to it. If a violation has occurred, the Company shall take such disciplinary or preventive actions as it deems appropriate.

6. Disciplinary actions against violators include measures such as dismissal and/or filing of appropriate civil and criminal actions. For purposes of this Code, "violators" are defined as (a) person who commit prohibited acts or who fail to implement prescribed acts when there is an obvious opportunity to do so; (b) employees who knowingly abet such acts of commission or omission or who fail to report such acts that violate the Code; (c) persons of authority who fail to impose the necessary disciplinary measures against violators.

7. Retaliation of discrimination, whether direct or indirect and in any form against any director, officer or employee who reports, honestly and in good faith, any violation or perceived violation of this Code shall not be tolerated.

8. All policies, systems, practice, orders and similar official corporate issuances, whether existing or to be issued shall be revisited and revised as soon as practicable in order to be consistent with the letter and spirit of this Code. Pending the finalization of such amendments, the provisions of this Code shall prevail over any policies, systems in practice, orders, and similar corporate issuances inconsistent with this Code.

9. This Code shall take effect immediately and shall be reviewed at least once every two (2) years or such other frequency as may be determined by the Board of Directors and/or the Corporate Governance Office.

Prepared By:	*Reviewed & Endorsed By:*	*Approved By:*
Jeffrey R. Balmores Manager/CG Date: _____	**Danny Y. Yu** CG Compliance Officer Date: _____	**Eulalio B. Austin, Jr.** President & CEO Date: _____

APPROVED BY THE BOARD OF DIRECTORS
ON FEBRUARY 26, 2014