



October 28, 2015

**PHILIPPINE STOCK EXCHANGE, INC.**  
3/F Tower One & Exchange Plaza  
Ayala Triangle, Ayala Avenue, Makati City

Attention: **MS. JANET A. ENCARNACION**  
*Head, Disclosure Department*

Subject: **ADDITIONAL 20M TONNES OF RESERVES TO EXTEND PADCAL LIFE OF MINE BY TWO (2) YEARS TO 2022**

Gentlemen:

Attached herewith is Philex Mining Corporation's Updated Summary of Remaining Proved Reserves as of December 31, 2014, reflecting additional reserves of 20 million tonnes and extending Padcal's life of mine by two years from CY2020 to CY2022.

For your information.

Very truly yours,

(Original signed)  
**DANNY Y. YU**  
*SVP Finance*



TO:	<b>ALL CONCERNED</b>
CC:	MVP, EBA, JR., DYY, RPB, MAA, RPM, file
FROM:	R. S. DOLIPAS II
DATE:	October 26, 2015
SUBJECT:	<b>Updated Summary of Remaining Proved Reserves as of December 31, 2014</b>

An engineering study was done on mining the mineral resource from 600-800ML based on the March 20, 2015 ore resource disclosure by Mr. Noel C. Oliveros, a Competent Person for Exploration and Mineral Resource Estimation. As a result, the remaining proved reserves as of December 31, 2014 is updated as tabulated below:

<b>PROVED RESERVES</b>					
As of December 31, 2014					
<b>ORE SOURCES</b>	<b>Tonnes MT</b>	<b>Cu %</b>	<b>Au Grams/Tonne</b>	<b>Recoverable Cu (000 lbs)</b>	<b>Recoverable Au (oz)</b>
908-ML	5,500,000	0.18	0.44	18,600	63,000
798-ML	32,200,000	0.20	0.38	116,100	310,400
782-ML	23,600,000	0.21	0.41	88,700	248,300
760/745-ML	6,500,000	0.20	0.49	23,000	81,100
730-ML	7,100,000	0.21	0.47	27,500	83,600
700-ML	4,700,000	0.20	0.44	17,400	53,300
<b>Total Reserves</b>	<b>79,600,000</b>	<b>0.20</b>	<b>0.41</b>	<b>291,300</b>	<b>839,700</b>

**Notes:**

- The PC-BC Module of the GEMCOM Software was used in the above estimate with the following parameters:

<b>Metal Prices:</b>	Cu :	2.75 US\$/lb	<b>Forex (Php to US\$) :</b>	44.00 PhP
	Au :	1,275 US\$/oz		<b>Operating Cost per Tonne :</b>
<b>Metal Recoveries:</b>	Cu :	82 %	<b>Conversion Factor for Gold grade to Cu. Eq. :</b>	0.660
	Au :	80 %	<b>Break-even Grade (%Cu Equivalent) :</b>	0.370

- The Operating Cost of 810 peso per tonne used in the estimate is higher than the 688 peso per tonne used in the December 31, 2013 estimate. This gives a higher break-even grade in terms of Percent Copper Equivalent.
- Mineable reserves of 18.3 million tonnes are estimated from the 800-600 ML mineral resource translating to an increase of 12.5 million tonnes compared to the 5.8 million tonnes that was earlier disclosed last March 23, 2015 to be mined at 745 ML. These reserves will be mined via Sub-Level Caving method at 760 ML, 730 ML and 700 ML.
- The Sub-Level Caving mining method has been used extensively at the 840 ML and the 867 ML.



5. The mineable reserves from 800-600 ML are of better grades especially for gold thereby allowing additional lower grade ore from 798 ML to be mined. Thus, there is an increase of 7.4 million tonnes in reserves at the 798 ML compared to the 24.8 million tonnes that was earlier disclosed.
6. The figures above still include the 6.9 million tonnes of ore with 0.21 %Cu and 0.44 g Au/t, mined from January to September 2015. Mined tonnage for 2015 will be reflected on the next mineable reserves statement updated annually by the company.

This is for your information and reference.

A handwritten signature in black ink, appearing to read "R.S. Dolipas, II", is positioned above the printed name.

**R.S. DOLIPAS, II**

This estimate was prepared by Engr. Ricardo S. Dolipas II (BSEM) who is the current Mine Division Manager for Philex Mining Corporation, Padcal Operations. Engr. Dolipas is a Competent Person under the definition of the Philippine Mineral Reporting Code (PMRC) and who has 21 years experienced as to the type of deposit and style of mining. He is a licensed mining engineer with Professional Regulation Commission (PRC) registration number 0002513 and accreditation number EM 0002513-021/13. He has given his consent to the Public Reporting of this statement concerning Mineral Reserve estimation.