

TO: **ALL CONCERNED**

CC: MVP, EBA, JR., DYY, RPB, MAA, RPM, file

FROM: R. S. DOLIPAS, II

DATE: March 15, 2017

SUBJECT: **Summary of Remaining Proved Reserves as of December 31, 2016**

The remaining proved reserves as of December 31, 2016 is tabulated below:

PROVED RESERVES					
As of December 31, 2016					
ORE SOURCES	Tonnes MT	Cu %	Au Grams/MT	Recoverable Cu (000 lbs)	Recoverable Au (oz)
908-ML	400,000	0.11	0.43	700	4,400
798-ML	25,000,000	0.20	0.38	90,700	242,800
782-ML	11,200,000	0.20	0.35	41,000	100,300
760-ML	12,100,000	0.21	0.49	45,200	152,300
730-ML	7,100,000	0.19	0.46	24,400	83,600
700-ML	3,900,000	0.20	0.44	14,200	44,000
Total Reserves	59,700,000	0.20	0.41	216,200	627,400


Notes:

1. Geovia PCBC™ software was used in the above estimate with the following parameters:

Metal Prices:	*Cu : 2.75 US\$/lb	Forex (Php to US\$) :	48.00 PhP
	**Au : 1,275 US\$/oz	Operating Cost per MT :	793.00 PhP
Metal Recoveries:	Cu : 82 %	Conversion Factor for Gold grade to Cu. Eq. :	0.660
	Au : 80 %	Break-even Grade (%Cu Equivalent) :	0.332

2. The operating cost per MT of PhP793 is the actual cost for CY 2016 and is lower by 2% compared to last year's disclosure of PhP810.
3. Meanwhile, the FOREX of PhP48/US\$ is the conservative projection of the Company and is higher by 9% compared to last year's PhP44/US\$.
4. Better grade reserves at 760-ML have been added in place of lower grade reserves at 798-ML, 782-ML and 700-ML.

This is for your information and reference.


RICARDO S. DOLIPAS, II

RSDII-M-001-17

Noted by:


MANUEL A. AGCAOILI
 SVP – Resident Manager

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 has 23 years of experience 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.



PHILEX MINING CORPORATION

To : E. B. Austin
 Thru : R. P. Baluda
 From : Noel C. Oliveros
 Subject : Summary of Remaining Mineral Resource Estimate (MRE) for Padcal Mine as of December 31, 2016

Date: 15 Mar 2017
 Cc : DYY/MAA/RPM/
 PMN/VBM/RSD
 RSB/FQC

Padcal Mine	Classification	Tonnes	Cu (%)	Au (g/t)	Contained Cu (lbs)	Contained Au (oz)
908-782ML						
908ML	Measured + Indicated	54,700,000	0.23	0.36	271,700,000	632,300
798ML	Measured + Indicated	38,000,000	0.20	0.36	170,000,000	436,000
782ML	Measured + Indicated	32,300,000	0.23	0.36	160,600,000	373,000
Subtotal	Measured + Indicated	125,000,000	0.22	0.36	602,300,000	1,441,300
800-600ML	Measured + Indicated	97,500,000	0.19	0.40	414,300,000	1,243,200
Total	Measured + Indicated	222,500,000	0.21	0.38	1,016,600,000	2,684,500
800-600ML	Inferred	6,000,000	0.21	0.40	27,600,000	77,150

Notes:

1. Cu-off grade = 0.332% CuEq
 $CuEq = \%Cu + 0.660 \times g/tAu$, metal factor is computed using;
 Metal prices = US\$2.75/lb Cu and US\$1,275/oz Au
 Metal recoveries = 82% for Cu and 80% for Au
2. Mineral Resource reported is based on the Resource block model prepared by R. C. Obial & Associates
3. Mineral Resource Estimates followed the terminology and guidelines set forth in the Philippine Mineral Reporting Code ("PMRC")
4. Total resources include proved reserves.
5. All tonnage information has been rounded to reflect the relative uncertainty in the estimates; there may therefore be small differences in the totals.

For your information and reference.


 Noel C. Oliveros

Noted by:


 Redempta P. Baluda
 VP - Exploration

This resource statement was prepared by Mr. Noel C. Oliveros, Exploration Division Manager of Philex Mining Corporation, who has sufficient experience relevant to the style of mineralization of St. Tomas II Porphyry Copper Deposit. Mr. Oliveros is a Competent Person for Exploration and Mineral Resource Estimation under the definition of the Philippine Mineral Reporting Code (PMRC). He is a professional Geologist with PRC License No. 1285 and accreditation number Geology CP-07-08-07. He has given his consent to the Public Reporting of this statement concerning Mineral Resource Estimation.