



PRESS RELEASE

Philex declares 110.9M tonnes of additional mineral resources in Padcal Mine

Philex Mining Corporation (“Philex” or the “Company”) is pleased to announce an additional 110.9 million tonnes of estimated mineral resources identified from the 800-600 meter levels (ML) in its Padcal Mine in the Province of Benguet. The increase in tonnage corresponds to incremental contained metal of 473.0 million pounds (lbs) of copper (Cu) and 1.342 million ounces (ozs) of gold (Au) (see Table 1).

Table 1. Mineral Resource Estimate 800-600ML (as of December 31, 2014)

Padcal Mine	Classification	Tonnes	Cu %	Au g/t	Contained Cu (lbs.)	Contained Au (ozs.)
800-600ML	Measured	91,540,000	0.19	0.38	383,500,000	1,118,000
800-600ML	Indicated	19,320,000	0.21	0.36	89,500,000	224,000
Total	Measured + Indicated	110,860,000	0.19	0.38	473,000,000	1,342,000
800-600ML	Inferred	7,000,000	0.20	0.40	30,900,000	90,200

**Mr. Noel C. Oliveros, a Competent Person, prepared the Mineral Resource Estimate at the 800-600 ML of the Sto. Tomas II Porphyry Copper-Gold deposit of the Padcal Mine based on the Resource block model prepared by R. C. Obial & Associates. The Mineral Resources are reported at a cut-off grade of 0.314%CuEq. The CuEq cut-off grade is based on metal prices of US\$2.75/lb Cu and US\$1,275/oz Au and metal recoveries of 82% for Cu and 80% for Au. As the mineral resources estimated for the 800-600ML are part of the Sto. Tomas II ore body which is currently being mined, the estimated resources have a reasonable prospect for economic extraction. R. C. Obial & Associates’ estimates followed the terminology and guidelines set forth in the Philippine Mineral Reporting Code (PMRC). The additional Mineral Resources are shown in Table 1 above.*

Currently, Philex operates in the 908-782ML. Feasibility studies to mine within the 800-600ML are on-going, where the additional resources were defined. The incremental resources are on top of the resources the Company declared in its Padcal mining operations.

“The Padcal Mine’s Measured and Indicated Resources at 800-600ML is expected to augment the mineable inventory of the Company and may likely extend the mine’s life beyond 2020. We look forward to the next two years of exploration within the vicinity of the Padcal Mine to further identify additional resources and increase the Company’s current mineral inventory”, said company President Eulalio B. Austin, Jr.

The completion of the new Mineral Resource Estimate increased the total mineral resources of the Padcal Mine by 71% to 267.7 million tonnes by the end of 2014, now covering the 908-782ML and 800-600ML, as indicated in Table 2 below. This also raised the contained metals to 1.23 billion lbs of copper and 3.24 million ozs of gold, higher by 62% and 71%, respectively.

The adjusted Aggregate Mineral Resources of Padcal Mine (Table 2) are reported at a cut-off grade of 0.314% copper equivalent (CuEq), which is further based on metal prices of US\$2.75/lb for Cu and US\$1,275/oz for Au and recoveries of 82% and 80%, respectively. The prices are also below the previous assumption of US\$3.00/lb copper and US\$1,500/oz to reflect the present market environment. The Mineral Resource Estimate is compliant with the terminologies and guidelines set forth in the PMRC.

Table 2. Aggregate Mineral Resource Estimate Padcal Mine (as of December 31, 2014)

Padcal Mine	Classification	Tonnes	Cu %	Au g/t	Contained Cu (lbs.)	Contained Au (ozs.)
908-782ML						
908ML	Measured + Indicated	67,800,000	0.22	0.37	334,900,000	808,800
798ML	Measured + Indicated	46,460,000	0.20	0.36	204,900,000	537,800
782ML	Measured + Indicated	42,550,000	0.23	0.41	218,600,000	554,100
Subtotal	Measured + Indicated	156,810,000	0.22	0.38	758,400,000	1,900,700
800-600ML	Measured + Indicated	110,860,000	0.19	0.38	473,000,000	1,342,000
Total	Measured + Indicated	267,670,000	0.21	0.38	1,231,400,000	3,242,700
800-600ML	Inferred	7,000,000	0.20	0.40	30,900,000	90,200

The Sto. Tomas II deposit is a porphyry style copper-gold deposit. Mineralization is associated with a Miocene diorite stock intruded into a thick sequence of Paleogene andesitic, metavolcanic rocks and consists of disseminated gold-rich chalcopyrite and bornite disseminated throughout the stock and into the host metavolcanic rocks.

The resource domain models used in the resource estimation were established on the basis of geology with significant subdivision to a hanging wall and a footwall, the main Sta Fe Fault Zone, and copper and gold grades. These domains were modeled and geo-statistically determined as robust. In general, there is an excellent continuity for both the copper and gold grades with low nugget effects and large ranges. The copper and gold grades are estimated using Ordinary Kriging interpolation method as the mineralization is relatively homogenous.

Cautionary Note Concerning Resource Estimates

The mineral resource figures referred to in this press release are estimates and no assurances can be given that the indicated levels of copper or gold will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that the resource estimates included in this press release are well established, by their nature resource estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company.

Mr. Noel C. Oliveros, Exploration Division Manager and Head of the Resource Management of Philex, has given his consent to the release of these resource estimate. The resource estimate is compliant with the rules and guidelines as set forth by the PMRC. Mr. Oliveros has sufficient experience in resource evaluation relevant to the style of mineralization of Sto. Tomas II Porphyry Copper-Gold Deposit. Mr. Oliveros is a Competent Person for Exploration and Mineral Resource Estimation under the definition of the PMRC. He has given his consent to the public reporting of this estimate following the PMRC guidelines concerning Mineral Resource Estimation.

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