



Philex announces maiden Inferred Resource for the Bumolo Project adjacent to its operating Padcal Mine

Highlights:

- **Inferred Mineral Resource estimate “MRE” of 21.7 MT at 0.2% Cu and 0.3g/t Au at 0.274% CuEq cut-off grade for the Bumolo porphyry copper-gold project, approximately 1.5 kms to the east of the Sto. Tomas II deposit of Padcal Mine**
- **Resource definition including in-fill drilling program is continuing aimed at increasing the Inferred Resource and to upgrade to Measured and Indicated Resource estimates**

Introduction:

Philex Mining Corporation ("Philex") is pleased to announce the encouraging results of the on-going drilling at the Bumolo porphyry copper-gold deposit with the release of a maiden Inferred Mineral Resource estimates.

The Bumolo porphyry copper-gold deposit is located in the Baguio Mineral District approximately 250 kms. north of Manila. The Bumolo deposit is only 1.5 kms to the east of the Sto. Tomas II deposit of the Padcal Mine of Philex. The Padcal Mine has been in active operation for the past 58 years and has produced over 378 million tons of ore to date primarily using the underground block caving method. The Bumolo deposit lies within the MPSA 156-2000-CAR of Philex.

The maiden Inferred Mineral Resource represents the first phase of the on-going resource definition drilling program to advance the project and provide additional ore to Padcal Mine.

“Philex is pleased to announce the results of the company’s on-going near mine exploration to assess the possibilities of further extending the life of the Padcal Mine. The maiden Inferred Resource estimate for the Bumolo Project confirms the potential we have been progressing with over the past year. This resource result exceeds our expectations and we further look forward to the next two years of exploration around the Padcal mine”, said company CEO and President Eulalio B. Austin Jr.

Mineral Resource

The Mineral Resource has been estimated in accordance with the Philippine Mineral Reporting Code “PMRC”. The Competent Person is Mr. Noel C. Oliveros. The Inferred resources are reported at a cut-off of 0.274% CuEq. The copper equivalent calculations derived by Padcal Mine for the Bumolo MRE are $CuEq = Cu\% + 0.693 \times Au/g$ based on Padcal Mine’s estimated copper prices of US\$2.35/lb and gold price of US\$1,145/oz and metal recoveries of 82% for copper and 80% for gold based on the average result from Padcal mine operations as of October 2015.

Bumolo MRE at 0.274%CuEq						
Classification	MT	% Cu	g/t Au	Cu Mlb	Au Moz	%CuEq
Inferred	21.7	0.20	0.30	95.7	0.21	0.41

This latest Bumolo MRE is based on drilling data and initial geological information interpreted by Philex geologists as of February 2016. A total of 30 diamond drill holes totaling 11,382 meters drilled in the deposit and specific gravity of 2.7 were used in the resource estimation. Drill hole spacing for assayed holes varies from around 80 by 80 meters and locally closer in central portions to around

125 by 125 meters in peripheral zones and is classified as Inferred Resources. The Bumolo Project exploration program is professionally managed and the database is acceptable for use in mineral resource estimation. Preliminary but robust geological and resource domains of the Bumolo deposit are defined and found suitable for the maiden mineral resource estimate. There is continuity for both the copper and gold grades within the established domains with low nugget effects and large ranges. The QA-QC programs and core logging procedures follow the best industry practice and generally exceed commonly accepted standards. The copper and gold grades are estimated using Ordinary Kriging interpolation method as the mineralization is relatively homogenous. The Competent Person believes that the methodology used in the MRE is appropriate and that the result will have accuracy suitable for the intended mining method.

In-house estimates use the definitions and guidelines given in the PMRC. The full Technical Report will be submitted to the Philippine Stocks Exchange ("PSE") within 45 working days and will be published in the Company's and PSE's websites.

Geology

The Bumolo deposit is a shallow and locally outcropping porphyry copper-gold deposit. The mineralization is mainly hosted by dioritic stocks characterized by sulphidic quartz stockwork and disseminations. Present drilling results also indicate extent of mineralization to the adjacent wall rocks and hydrothermal breccias. Early mineralization quartz diorite porphyry has undergone texturally destructive biotite, actinolite and magnetite alteration. Disseminated chalcopyrite is closely associated with magnetite and also occurs as coarser grains in a dense stockwork of quartz and quartz-magnetite veinlets that overprinted biotite and actinolite alteration.

Drilling results to date have confirmed and partially defined the lateral and vertical extent of mineralization towards the southeast. The identified mineralized horizon, however, is still open towards the west, east, northeast and southwest.

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 Exploration and Resource Estimation Group of Philex, has given his consent to the release of this resource estimate. The resource estimate is compliant with the rules and guidelines as set forth by the PMRC. Mr. Oliveros has more than 20 years experience in resource evaluation relevant to the style of mineralization in the Baguio Mineral District. 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.

The PSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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