

PHILEX MINING CORPORATION

REVISED MANUAL ON CORPORATE GOVERNANCE

The Board of Directors of Philex Mining Corporation (“Philex” or the “Company”) approved and adopted the Company’s Manual on Corporate Governance on 27 April 2010 and revised said Manual on 23 February 2011¹. On 25 June 2014, the Board of Directors (the “Board”) approved the further revision of the Manual on Corporate Governance in compliance with Securities and Exchange Commission (SEC) Memorandum Circular No. 9, Series of 2014²- Amendment to the Revised Code of Corporate Governance. On 30 May 2017, the Board approved and adopted the further revision of the Revised Manual on Corporate Governance (“RMCG”) substantially adopting the SEC-issued Code of Corporate Governance for Publicly-Listed Companies (“Corporate Governance Code”).

The structures and processes set forth in this RMCG, the Articles of Incorporation and By-Laws, in conjunction with the Company’s commitment to the corporate governance principles of transparency, accountability, fairness and integrity, the various corporate governance policies adopted by the Board³, and the revised Charters of the different Committees⁴ form the Company’s basic framework of governance by which its Board, officers, executives and employees shall strive to achieve the Company’s strategic objectives, create value for all its shareholders and sustain its long-term viability.

This RMCG shall apply suppletorily to the Company’s Articles of Incorporation, as amended, Corporate By-Laws, the Securities Regulation Code, and the Corporation Code of the Philippines but shall, in no way, supersede the same.

Our Vision

Our vision is to be a highly respected, world-class natural-resource Company committed to deliver excellent value to its investors, employees, and other stakeholders.

¹ This Manual supersedes the Revised Manual on Corporate Governance that was approved and adopted by the Company on 25 June 2014.

² Issued on 06 May 2014.

³Such policies include the Code of Business Conduct and the policies on Conflict of Interest, Whistle-blowing, Supplier Relations, Gifts, Entertainment and Sponsored Travel, Related Party Transactions, and the Amended Policy on Dealings in Company Shares of Stock, Directors and Officers' Orientation and Training Policy and Board Performance Appraisal/ Assessment Policy which are all available on the Company’s website.

⁴ Audit Committee, Risk Committee, Corporate Governance Committee, Nominations Committee, Compensation Committee, Finance Committee, Executive Committee, Silangan Executive Committee

Our Mission

We are a responsible mining corporation that discovers and processes minerals and energy resources for the use of society.

Definitions and Interpretation

Defined Terms

The following terms are used in this RMCG with the respective meanings ascribed to such terms below, unless the context otherwise requires:

“Articles of Incorporation”	means the Articles of Incorporation of the Company and all amendments thereto;
“Board of Directors”	means the governing body annually elected by the stockholders that exercises the corporate powers of a corporation, conducts all its business and controls its properties;
“Board Committees”	means the Audit Committee, Board Risk Oversight Committee, Nominations Committee, Compensation Committee, Finance Committee, Corporate Governance Committee, Related Party Transaction Committee and such other committees which the Board may constitute from time to time;
“BSP”	means the Bangko Sentral ng Pilipinas;
“By-Laws”	means the By-Laws of the Company and all amendments thereto;
“CEO”	means the Chief Executive Officer of the Company;
“Corporate Governance Code”	refers to the Code of Corporate Governance for Publicly-Listed Companies per SEC Memo Circular No. 29, Series of 2016;
“Chairperson”	means the Chairperson of the Board;

“Commission”	means the Philippine Securities and Exchange Commission;
“Company” or “Philex”	means Philex Mining Corporation;
“Corporate Governance”	<p>means the system of stewardship and control to guide organizations in fulfilling their long-term economic, moral, legal and social obligation towards their stakeholders.</p> <p>It is a system of direction, feedback and control using regulations, performance standards and ethical guidelines to hold the Board and Management accountable for ensuring ethical behavior – reconciling long-term customer satisfaction with shareholder value.</p> <p>Its purpose is to maximize the organization’s long-term success, creating sustainable value for its shareholders, stakeholders and the nation;</p>
“Corporation Code”	means Batas Pambansa Blg. 68, otherwise known as the Corporation Code of the Philippines;
“Director”	means a duly elected member of the Board;
“Employees”	means employees of the Company below the rank of Manager;
“Enterprise Risk Management”	a process, effected by the Board, Management and other personnel, applied in strategy setting and across the Company that is designed to identify potential events that may affect it, manage risks to be within its risk appetite, and provide reasonable assurance regarding the achievement of its objectives;
“Exchange”	means the Philippine Stock Exchange;

“Executives”	means the executives of the Company with the rank of Manager up to the Assistant Vice President;
“Executive Director”	a director who has executive responsibility of day-to-day operations of a part or the whole of the Company;
“Independent Director”	a person who is independent of management and the controlling shareholder, and is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director;
“Internal Control”	a process designed and effected by the Board, Officers, and all levels of personnel to provide reasonable assurance on the achievement of objectives through efficient and effective operations, reliable, complete and timely financial and management information, and compliance with applicable laws, regulations, and the organization’s policies and procedures;
“Management”	a group of executives and senior officers given the authority by the Board to implement the policies the Board has laid down in the conduct of the business of the Company;
“Non-Executive Director”	a director who has no executive responsibility and does not perform any work related to the operations of the Company;
“Officers”	means those with the rank of Vice President of the Company and above;
“Related Party”	A related party is defined as any entity that falls under any of the following situations: a) Associate - The party is an

associate of the Company b) Common control - The party is, directly or indirectly, either under common control with the Company entity or has significant or joint control over the Company. c) Family member - The party is a close family member of a person who is part of key management personnel or who controls the Company. A close family member is an individual's domestic partner and children, children of the domestic partner, and dependents of the individual or the individual's domestic partner. d) Individual control - The party is controlled or significantly influenced by a member of key management personnel or by a person who controls the Company e) Joint venture - The party is a joint venture in which the Company is a venture partner. f) Key management - The party is a member of the Company or its parent's key management personnel. g) Post-employment plan. The party is a post-employment benefit plan for the Company 's employees;

“Related Party Transactions”

a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged. It should be interpreted broadly to include not only transactions that are entered into with related parties, but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party;

“RMCG”

means this Revised Manual on Corporate Governance, including its Annexes, as the same may be amended from time to time;

“Stakeholders”

any individual, organization or society at large who can either affect and/or be affected by the Company’s strategies, policies, business decisions and operations, in general. This includes,

among others, customers, creditors, employees, suppliers, investors, as well as the government and community in which it operates;

“Securities Regulation Code” means Republic Act No. 8799; and,

“Year” means a calendar year.

Interpretation

- (a) Unless the context otherwise requires:
 - (i) Words in the singular include the plural, and vice versa; and,
 - (ii) Words importing any gender include all genders.
- (b) A reference to a statute or statutory provision shall be construed as a reference to the statute or provision as from time to time amended, modified, or re-enacted, any repealed statute or statutory provision which it re-enacts, and any orders, rules or regulations made under the relevant statute or statutory provision.
- (c) The headings in this Manual are inserted solely for convenience of reference and shall not limit or affect the interpretation of the provisions hereof.

THE BOARD’S GOVERNANCE RESPONSIBILITIES

1. ESTABLISHING A COMPETENT BOARD

The Company should be headed by a competent, working board to foster the long-term success of the Company, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.

- 1.1 The Board shall be composed of Directors with a collective working knowledge, experience or expertise that is relevant to the Company’s industry/sector. The Board shall always ensure that it has an appropriate mix of competence and expertise and that its members remain qualified for their positions individually and collectively, to enable it to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction.
- 1.2 The Board is composed of eleven (11) members pursuant to the Company’s Articles of Incorporation, a majority of whom are Non-

Executive Directors, who possess the necessary qualifications to effectively participate and help secure objective, independent judgment on corporate affairs and to ensure proper checks and balances.

- 1.3 The Company shall provide continuing training for its Directors and an orientation program for first time Directors in accordance with the Company's Board Charter and Directors' and Officers' Training Policy attached hereto as Annexes "A" and "B", respectively.
- 1.4 The Board shall strictly and faithfully observe Board diversity as embodied in the Board Diversity Policy, attached hereto as Annex "C".
- 1.5 The Board shall ensure that it is assisted in its duties by a Corporate Secretary, who shall be different from the Compliance Officer. The Corporate Secretary, as much as practicable, should not be a member of the Board and should annually attend training on corporate governance.

The Corporate Secretary is primarily responsible to the Company and its shareholders, and also to the Chairperson and to the CEO of the Company and has, among others, the following duties and responsibilities:

- a. Assists the Board and the Board Committees in the conduct of their meetings, including preparing an annual schedule of Board and committee meetings and the annual board calendar, and assisting the chairs of the Board and its committees to set agenda for those meetings;
- b. Safe keeps and preserves the integrity of the minutes of the meetings of the Board and its committees, as well as other official records of the Company;
- c. Keeps abreast of relevant laws, regulations, governance issuances of the Commission, relevant industry developments and operations of the Company, and advises the Board Chairperson on all relevant issues as they arise;
- d. Works fairly and objectively with the Board, Management and stockholders and contributes to the flow of information between the Board and the Management, the Board and its committees, and the Board and its stakeholders, including shareholders;

- e. Advises on the establishment of board committees and their terms of reference;
 - f. Informs members of the Board, in accordance with the By-Laws, of the agenda of their meetings at least five (5) working days in advance, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
 - g. Attends all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him/her from doing so;
 - h. Performs required administrative functions;
 - i. Oversees the drafting of the by-laws and ensures that they conform with regulatory requirements; and,
 - j. Performs such other duties and responsibilities as may be provided by the Board or the SEC or competent regulatory authority.
- 1.6 The Board shall ensure that it is assisted in its duties by a Compliance Officer, who shall have a rank of Senior Vice President or an equivalent position with adequate stature and authority in the Company. The Compliance Officer shall not be a member of the Board and shall annually attend training on corporate governance.

The Compliance Officer is a member of the Company's Management team in charge of the compliance function. Similar to the Corporate Secretary, s/he is primarily liable to the Company and its shareholders, and also to the Chairperson and to the CEO of the Company. S/he has, among others, the following duties and responsibilities:

- a. Ensures proper on boarding of new Directors (i.e., orientation on the Company's business, charter, articles of incorporation and by-laws, among others) in accordance with the Company's Directors' and Officers' Training Policy (Annex "B") ;
- b. Monitors, reviews, evaluates and ensures the compliance by the Company, its Officers and Directors with the relevant laws, this RMCG, the Code, rules and regulations and all governance issuances of regulatory agencies;
- c. Reports any substantial violation of the relevant compliance laws, this RMCG, rules and regulations and all governance issuances of

regulatory agencies by the Management and Directors and recommends the imposition of the appropriate disciplinary action;

- d. Ensures the integrity and accuracy of all documentary submissions to regulators;
- e. Appears before the SEC when summoned in relation to compliance-related issues;
- f. Collaborates with other departments of the Company to properly address compliance issues, which may be subject to investigation;
- g. Identifies possible areas of compliance issues and works towards the resolution of the same;
- h. Ensures the attendance of Directors and Officers to relevant trainings; and,
- i. Performs such other duties and responsibilities as may be provided by the Board or the Commission.

2. ESTABLISHING CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD

The fiduciary roles, responsibilities and accountabilities of the Board, as provided under the law, the Company's Articles and By-Laws, and other legal pronouncements and guidelines should be clearly made known to all Directors as well as to the shareholders and other stakeholders.

- 2.1 The Directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and all shareholders.
- 2.2 The Board shall oversee the development of and approve the Company's business objectives and strategy, and monitor their implementation, in order to sustain the Company's long-term viability and strength.
- 2.3 The Board shall be headed by a competent and qualified Chairperson.

The roles and responsibilities of the Chairperson include, among others, the following:

- a. Makes certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the Company, considering the developments in the business and regulatory

environments, key governance concerns, and contentious issues that will significantly affect operations;

- b. Ensure that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;
 - c. Facilitates discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual Directors;
 - d. Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by the Management;
 - e. Assures the availability of proper orientation for first-time Directors and continuing training opportunities for all Directors in Accordance with the Company's Directors' and Officers' Training Policy (Annex "B"); and
 - f. Makes sure that performance of the Board is evaluated at least once a year and discussed/followed up on.
- 2.4 The Board shall be responsible for ensuring and adopting an effective succession planning program for Executive Directors, Officers and Management to ensure continued growth and increase in the shareholders' value. This should include adopting a policy on the retirement age for Executive Directors and Officers as part of management succession and to promote dynamism in the Company.
- 2.5 The Board shall align the remuneration of Officers and Directors with the long-term interests of the Company. In doing so, it shall formulate and adopt a policy specifying the relationship between remuneration and performance. No Director shall participate in discussions or deliberations involving his own remuneration.
- 2.6 The Board, through the Nominations Committee, shall strictly implement the policy adopted by the Company for the nomination, election or replacement of a Director as provided in the Nominations Committee Charter attached hereto as Annex "D" as well as the rules and regulations issued by the relevant regulatory authorities. In addition, the Board shall ensure that the process of identifying the quality of Directors shall be aligned with the strategic direction of the Company.

The grounds for the permanent and temporary disqualification of Directors are discussed in the Board Charter (See Annex "A").

- 2.7 The Board shall approve a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions, particularly those which pass thresholds of materiality. The policy includes the appropriate review and approval of material or significant RPTs, which guarantee fairness and transparency of the transactions. The policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations. Attached as Annex “E” is a copy of the Company’s Related Party Transactions Policy.
- 2.8 The Board is primarily responsible for approving the selection and assessing the performance of the Management led by the Chief Executive Officer (CEO), and control functions led by their respective heads (Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive).
- 2.9 The Board shall establish an effective performance management framework that will ensure that the Management, including the CEO and personnel’s performance are at par with the standards set by the Board and, in most instances, Officers.
- 2.10 The Board shall ensure that an appropriate internal control system is in place, including setting up a mechanism for monitoring and managing potential conflicts of interest of Management, Board members, and shareholders. The Board has approved and adopted an Internal Audit Charter attached hereto as Annex “F.1”, which it shall strictly implement.
- 2.11 The Board shall oversee that a sound enterprise risk management (ERM) framework is in place to effectively identify, monitor, assess and manage key business risks. The risk management framework should guide the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.
- 2.12 The Board shall have a Board Charter (Annex “A”) that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties. The Board Charter shall serve as a guide to the Directors in the performance of their functions and is publicly available and posted on the Company’s website.

3. ESTABLISHING BOARD COMMITTEES

Board Committees are set up, to the extent possible, to support the effective performance of the Board’s functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance

concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established are contained in their publicly-available Committee Charters.

- 3.1 The Board shall establish board committees that focus on specific Board functions to aid in the optimal performance of its roles and responsibilities. The Board may, from time to time, create additional or merge or abolish board committees, which it may deem necessary to effectively assist the Board in the performance of its functions.
- 3.2 The Board shall establish an Audit Committee to enhance its oversight capability over the Company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. The committee is composed of at least three appropriately qualified Non-Executive Directors, the as much majority of whom, as much as practicable shall be independent, including the Chairman. All of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. As much as practicable, the Chairperson of the Audit Committee shall not be the Chairperson of the Board or of any other committees. The Audit Committee shall be guided by the Audit Committee Charter attached hereto as Annex "F".
- 3.3 The Board shall establish a Corporate Governance Committee that is tasked to assist the Board in the performance of its corporate governance responsibilities. It shall be composed of, at three members, all of whom, as much as practicable shall be Independent Directors, including the Chairperson. The Corporate Governance Committee shall be guided by the Corporate Governance Committee Charter attached hereto as Annex "G".
- 3.4 The Board shall establish a Nominations Committee to assist the Board in dealing with matters relating to the appointment and removal of directors. The Committee shall be composed of at least three (3) members, As much as practicable, the Chairman must be either an independent director or the Chairperson. The Nominations Committee shall be guided by the Nominations Committee Charter attached hereto as Annex "D".
- 3.5 The Board shall establish a Compensation Committee to establish a formal and transparent procedure for recommending the appropriate remuneration of directors and officers and to ensure that the compensation is consistent with the Company's financial strategy, sound risk culture, as well as the business environment in which it operates. The Compensation Committee shall consist of at least three members. As much as practicable, the Chairman shall be an

independent director. The Compensation Committee shall be guided by the Compensation Committee Charter attached hereto as Annex "H".

- 3.6 The Board shall establish a Finance Committee that is tasked to have primary oversight responsibility over the Company's corporate finance activities and the financing of major acquisitions. The Committee shall be composed of at least three members, one of whom, as far as practicable, shall be an independent director. The Finance Committee shall be guided by the Finance Committee Charter attached hereto as Annex "I".
- 3.7 Considering the Company's size, risk profile and complexity of operations, the Board shall establish a separate Board Risk Oversight Committee that is responsible for the oversight of a Company's Enterprise Risk Management system to ensure its functionality and effectiveness. It shall be composed of at least three members, the majority of whom, as much as practicable, shall be Independent Directors, including the Chairperson. As much as practicable, the Chairperson shall not be the Chairperson of the Board or of any other committee. At least one member of the committee must have relevant thorough knowledge and experience on risk and risk management. The Board Risk Oversight Committee shall be guided by the Board Risk Oversight Committee Charter attached hereto as Annex "J".
- 3.8 Considering the Company's size, risk profile and complexity of operations, the Board established a Related Party Transaction (RPT) Committee, which is tasked with reviewing all material related party transactions of the Company and shall be composed of at least three Non-Executive Directors, majority of whom shall be independent, including the Chairperson. The RPT Committee shall be guided by the Related Party Transaction Committee Charter attached hereto as Annex "K".
- 3.9 The Company adopted a charter for each committee stating in plain terms their respective purposes, memberships, structures, operations, reporting processes, resources and other relevant information. The Charters provide the standards for evaluating the performance of the Committees. They are fully disclosed on the Company's website.

4. FOSTERING COMMITMENT

To show full commitment to the Company, the Directors shall devote the time and attention necessary to properly and effectively perform their duties and

responsibilities, including sufficient time to be familiar with the Company's business.

- 4.1 The Directors shall attend and actively participate in all meetings of the Board, Committees, and Shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so. In Board and Committee meetings, the Director shall review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.
- 4.2 The Non-Executive Directors of the Board should concurrently serve as Directors, as much as practicable, to a maximum of five publicly listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge management's proposals/views, and oversee the long-term strategy of the Company.
- 4.3 The Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations. In any case, the capacity of Directors to diligently and efficiently perform their duties and responsibilities to the Company shall not be compromised.
- 4.4 A Director shall notify the Board where s/he is an incumbent Director before accepting a directorship in another company.

5. REINFORCING BOARD INDEPENDENCE

The Board shall endeavor to exercise an objective and independent judgment on all corporate affairs.

- 5.1 The Board shall have at least two (2) independent directors, or such number as to constitute at least 20% of the Board.
- 5.2 The Board shall ensure that its Independent Directors possess the necessary qualifications and none of the disqualifications for an Independent Director to hold the position.
- 5.3 Independent Directors shall serve for a maximum cumulative term of nine (9) years, reckoned in accordance with pertinent rules of the SEC after which the Independent Director shall be perpetually barred from re-election as such in the Company, but may continue to qualify for nomination and election as a Non-Independent Director. In the instance that the Company wants to retain an Independent Director

who has served for nine (9) years beginning 2012, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.

- 5.4 The positions of Chairperson and CEO shall be held by separate individuals and each shall have clearly defined responsibilities.

The CEO has the following roles and responsibilities, among others:

- a. Determines the Company's strategic direction and formulates and implements its strategic plan on the direction of the business;
- b. Communicates and implements the Company's vision, mission, values and overall strategy and promotes any organization or stakeholder change in relation to the same;
- c. Oversees the operations of the Company and manages human and financial resources in accordance with the strategic plan;
- d. Has a good working knowledge of the Company's industry and market and keeps up-to-date with its core business purpose;
- e. Directs, evaluates and guides the work of the key officers of the Company;
- f. Manages the Company's resources prudently and ensures a proper balance of the same;
- g. Provides the Board with timely information and interfaces between the Board and the employees;
- h. Builds the corporate culture and motivates the employees of the Company; and,
- i. Serves as the link between internal operations and external stakeholders.

The roles and responsibilities of the Chairperson are provided under Clause 2.3 herein.

The Board ideally should designate a lead director among the Independent Directors if the Chairperson of the Board is not independent.

- 5.5 A Director with a material interest in any transaction affecting the Company shall abstain from taking part in the deliberations for the same.

- 5.6 The Non-Executive Directors should have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any Executive Directors present to ensure that proper checks and balances are in place within the corporation. The meetings shall be chaired by the lead Independent Director, whenever applicable.

6. ASSESSING BOARD PERFORMANCE

The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

- 6.1 The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairperson, individual members and committees. Every three years, the assessment shall be supported by an external facilitator. Attached as Annex "J" is a copy of the Company's Performance Appraisal / Assessment Policy.
- 6.2 The Board shall have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual Directors, committees and such system should allow for a feedback mechanism from the shareholders.

7. STRENGTHENING BOARD ETHICS

Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

- 7.1 The Board shall adopt a Code of Business Conduct and Ethics, which would provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings. The Code shall be properly disseminated to the Board, Officers, Executives and Employees. It shall also be disclosed and made available to the public through the Company website. Attached as Annex "L" is a copy of Code of Business and Ethics.
- 7.2 The Board shall ensure the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.

8. ENHANCING COMPANY DISCLOSURE POLICIES AND PROCEDURES

The Company shall establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

- 8.1 The Company shall establish corporate disclosure policies and procedure to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders and gives a fair and complete picture of the Company's financial condition, results and business operations.
- 8.2 The Company shall have a policy requiring all Directors and Officers to disclose/report to the Company any dealings in the Company's shares within three (3) business days.
- 8.3 The Board shall fully disclose all relevant and material information on individual Directors and Officers to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.
- 8.4 The Company shall provide a clear disclosure of its policies and procedure for setting Board and executive remuneration, as well as the level and mix of the same in the Annual Corporate Governance Report.
- 8.5 The Company has adopted a Related Party Transaction Policy (RPT Policy) attached hereto as Annex "E". This RPT Policy is made an integral part of this RMCG. The material or significant RPTs reviewed and approved during the year shall be disclosed in the Company's Annual Corporate Governance Report.
- 8.6 The Company shall make a full, fair, accurate and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders. Moreover, the Board shall appoint an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.
- 8.7 The Company's corporate governance policies, programs and procedures are found in this RMCG, which shall be submitted to the regulators and posted on the Company's website.

9. STRENGTHENING THE EXTERNAL AUDITOR'S INDEPENDENCE AND IMPROVING AUDIT QUALITY

The Company shall establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

- 9.1 The Audit Committee shall have a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditor. The appointment, reappointment, removal, and fees of the external auditor should be recommended by the Audit Committee, approved by the Board and ratified by the shareholders. For removal of the external auditor, the reasons for removal or change shall be disclosed to the regulators and the public through the Company website and required disclosures.
- 9.2 The Audit Committee Charter (Annex "F") includes the Audit Committee's responsibility on assessing the integrity and independence of external auditors and exercising effective oversight to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. The Charter also contains the Audit Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.
- 9.3 The Company shall disclose the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest. The Audit Committee should be alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.

10. INCREASING FOCUS ON NON-FINANCIAL AND SUSTAINABILITY REPORTING

The Company shall ensure that all material and reportable non-financial and sustainability issues are disclosed.

- 10.1 The Board shall have a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability. The Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.

11. PROMOTING A COMPREHENSIVE AND COST-EFFICIENT ACCESS TO RELEVANT INFORMATION

The Company shall maintain comprehensive and cost-efficient communication channels for disseminating relevant information. These channels are crucial for informed decision-making by investors, stakeholders and other interested users.

- 11.1 The Company shall include media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.

INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT FRAMEWORK

12. STRENGTHENING THE INTERNAL CONTROL SYSTEM AND ENTERPRISE RISK MANAGEMENT FRAMEWORK

To ensure the integrity, transparency and proper governance in the conduct of its affairs, the Company shall have a strong and effective internal control system and enterprise risk management framework.

- 12.1 The Company's internal control system and enterprise risk management framework shall adequately take into account its size, risk profile and complexity of operations.
- 12.2 The Company shall have in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the Company's operations.

A separate internal audit function is essential to monitor and guide the implementation of Company policies. It helps the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of the Company's governance, risk management and control functions. The following are the functions of the internal audit, among others:

- a. Provides an independent risk-based assurance service to the Board, Audit Committee and Management, focusing on reviewing the effectiveness of the governance and control processes in (1) promoting the right values and ethics, (2) ensuring effective performance management and accounting in the organization, (3) communicating risk and control information, and (4) coordinating the activities and information among the Board, external and internal auditors, and Management;

- b. Performs regular and special audit as contained in the annual audit plan and/or based on the Company's risk assessment;
- c. Performs consulting and advisory services related to governance and control as appropriate for the organization;
- d. Performs compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization;
- e. Reviews, audits and assesses the efficiency and effectiveness of the internal control system of all areas of the Company;
- f. Evaluates operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned;
- g. Evaluates specific operations at the request of the Board or Management, as appropriate; and,
- h. Monitors and evaluates governance processes.

12.3 Subject to a Company's size, risk profile and complexity of operations, the Company shall have a qualified Chief Audit Executive (CAE) appointed by the Board. The CAE shall oversee and be responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider, whenever practicable. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel should be assigned the responsibility for managing the fully outsourced internal audit activity.

The CAE, in order to achieve the necessary independence to fulfill his/her responsibilities, directly reports functionally to the Audit Committee and administratively to the CEO. The following are the responsibilities of the CAE, among others:

- a. Periodically reviews the Internal Audit Charter and presents it to the Officers and the Board Audit Committee for approval;
- b. Establishes a risk-based internal audit plan, including policies and procedures, to determine the priorities of the internal audit activity, consistent with the organization's goals;

- c. Communicates the internal audit activity's plans, resource requirements and impact of resource limitations, as well as significant interim changes, to the Officers and the Audit Committee for review and approval;
 - d. Spearheads the performance of the internal audit activity to ensure it adds value to the organization;
 - e. Reports periodically to the Audit Committee on the internal audit activity's performance relative to its plan; and,
 - f. Presents findings and recommendations to the Audit Committee and gives advice to the Officers and the Board on how to improve internal processes.
- 12.4 Considering its size, risk profile and complexity of operations, the Company shall have a separate risk management function to identify, assess and monitor key risk exposures.

The risk management function involves the following activities, among others:

- a. Defining a risk management strategy;
- b. Identifying and analyzing key risks exposure relating to economic, environmental, social and governance (EESG) factors and the achievement of the organization's strategic objectives;
- c. Evaluating and categorizing each identified risk using the Company's predefined risk categories and parameters;
- d. Establishing a risk register with clearly defined, prioritized and residual risks;
- e. Developing a risk mitigation plan for the most important risks to the Company, as defined by the risk management strategy;
- f. Communicating and reporting significant risk exposures including business risks (i.e., strategic, compliance, operational, financial and reputational risks), control issues and risk mitigation plan to the Board Risk Oversight Committee; and,
- g. Monitoring and evaluating the effectiveness of the organization's risk management processes.

- 12.5. In managing the Company's Risk Management System, the Company shall have a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM) and has adequate authority, stature, resources and support to fulfill his/her responsibilities, subject to a Company's size, risk profile and complexity of operations.

The CRO has the following functions, among others:

- a. Supervises the entire ERM process and spearheads the development, implementation, maintenance and continuous improvement of ERM processes and documentation;
- b. Communicates the top risks and the status of implementation of risk management strategies and action plans to the Board Risk Oversight Committee;
- c. Collaborates with the CEO in updating and making recommendations to the Board Risk Oversight Committee;
- d. Suggests ERM policies and related guidance, as may be needed; and
- e. Provides insights on the following:
 - Risk management processes are performing as intended;
 - Risk measures reported are continuously reviewed by risk owners for effectiveness; and,
 - Established risk policies and procedures are being complied with.

There should be clear communication between the Board Risk Oversight Committee and the CRO.

13. PROMOTING SHAREHOLDER RIGHTS

The Company shall treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

- 13.1 The Board shall ensure that basic shareholder rights are disclosed in this RMCG and on the Company's website.

Stockholders' Right

The Board shall respect the right of the stockholders as provided for in the Corporation Code, as well as the Articles of Incorporation, By-Laws and all resolutions adopted by the Board establishing and designating classes or series of shares of stock of the Company (the "Constitutive Documents"). These rights are as follows:

- a. Pre-emptive right⁵ or the right to subscribe to or purchase any unissued shares of stock of the Company offered for subscription or purchase, except as provided in Section 39 of the Corporation Code which states that pre-emptive right shall not extend to shares to be issued in compliance with laws requiring stock offerings or minimum stock ownership by the public, or to shares to be issued in good faith with the approval of the stockholders representing two-thirds (2/3) of the outstanding capital stock, in exchange for property needed for corporate purposes or in payment of a previously contracted debt.
- b. Right to inspect corporate books and records including minutes of Board meetings and stock registries; provided that, such right may be denied by the Board if the requesting stockholder improperly used information secured from prior examination, or is not acting in good faith, or does not have a legitimate purpose for inspecting the records, or if the Board determines it necessary to safeguard the rights and legitimate interest of the Company such as when the records to be inspected contain sensitive or confidential information or are covered by a confidentiality or non-disclosure obligation which will be breached by the Company if such records were made available for inspection.
- c. Right to receive information that is required to be disclosed by the Company pursuant to the Corporation Code or Securities Regulation Code.
- d. Right to dividends subject to the provisions of the Corporation Code, the Company's Articles and By-Laws, and the resolutions duly adopted by the Board.
- e. Appraisal right or the right to dissent and demand payment of the fair value of their shares in the instances provided for under the Corporation Code.
- f. Dividend Policy

The Company declares dividends, consistent with its dividend policy as stated in the Company By-Laws, and pays in an equitable and timely manner. In August 2014, the Company has adopted a

⁵ Shareholders shall have pre-emptive rights; provided that in the case of shares issued for cash, shareholders not resident of the Philippines shall not have pre-emptive rights if, in the best judgment of the Board, the cost of meeting the requirements to allow the Company to offer such shares in the foreign jurisdictions where such shareholders reside, exceeds the benefit to the Company.

policy on the timing of cash dividend payment, which should be within 30 calendar days from the date of declaration.

In 2010, the Company's Board of Directors adopted a policy to declare cash dividend of up to 25% of the Company's core net income of the previous year, should circumstances allow for its declaration.

g. Right to Participate Effectively, Nominate and Vote

The Company's shareholders have the right to participate in decisions concerning fundamental corporate changes. The following corporate actions require the vote of shareholders holding at least 2/3 of the Company's outstanding capital stocks:

- Amendment to the Articles of Incorporation;
- Increase in capital stock;
- Sale or disposition, including the constitution of a mortgage or a pledge, of all or substantially all of the Company's assets;
- Investment of Company funds for a purpose other than the Company's primary purpose;
- Waiver of pre-emptive rights for specific transactions; and,
- Mergers and consolidations.

Shareholders have the right to participate effectively and vote in general shareholders' meetings. The Company ensures that shareholders are informed of the rules, including the voting procedures that govern general shareholders' meetings. Shareholders have the opportunity to approve remuneration, in terms of profit sharing, which is contained in the Company's By-Laws. Any amendment to the By-Laws will require a vote of a majority of the total outstanding capital stock.

All shareholders have the right to vote each year for the following:

- Election of directors;
- Approval of the Minutes of shareholders' meeting/s held in the previous year;
- Approval of the annual report and the audited financial statements;
- Selection of election inspectors for the ensuing year; and
- Selection of the external auditors.

Stockholders, who have matters for discussion or concerns directly relating to the business of the Company, may initially elevate such matters or concerns to: (a) the Corporate Secretary; (b) the Investor Relations Office; (c) Management; or (d) the Board. Although all stockholders should be treated equally or without

discrimination, where feasible or practicable the Board should give minority stockholders holding at least ten percent of the Company's shares, the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Company.

Nomination Process:

The Company also respects and recognizes the right of minority shareholders to nominate directors. This right is corollary to the right to vote, which is guaranteed under the Corporation Code of the Philippines and recognized in the Company's By-Laws. Under the Company's By-Laws, shareholders may submit nominations to the Board's Nominations Committee. The deadline for submission of nominations is on the 30th day of April of each year, or such other date as may be determined by the Board which deadline shall be timely disclosed to give shareholders opportunity to submit nominations within such period."

Voting Procedures:

Voting is done by balloting and shareholders shall be entitled to vote either in person or by proxy. Shareholders who are present and did not submit proxies before the meeting are given ballots upon registration. In the case of proxies submitted prior to the meeting, the proxy designated by the shareholder to represent him/her at shareholders' meeting is provided with ballots for casting in accordance with the shareholders' instructions, as indicated in the proxy. Proxies and ballots will be tabulated by the independent election inspector assisted as appropriate by Company's stock transfer agent and results of the tabulation will be announced for the relevant items on the agenda.

The voting and tabulation procedures are further explained in the Company's Notice of Annual Shareholders' Meeting (ASM). The Corporate Secretary will likewise explain the voting procedures at the start of the meeting that will form part of the Minutes of ASM which will be posted in the Company's website within five days from the date of the ASM.

- 13.2 The Board shall encourage active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting (ASM) with sufficient and relevant information at least 28 calendar days before the meeting.

Disclosure and Release of Notice of ASM to Shareholders

The Company shall send a Notice of ASM which states the date, time and place of meeting, including the rationale and explanation for each item in the agenda that requires shareholders' approval, to shareholders at least twenty eight (28) calendar days prior to the date of actual meeting.

- 13.3 The Board shall encourage active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Shareholders' Meeting shall be available on the Company website within five (5) business days from the end of the meeting.

The minutes of the ASM are posted in the Company's website within five (5) business days from the date of the meeting. The minutes consist of the open forum during the ASM, voting results per agenda, the resolutions taken up during the ASM and the attendance of Directors and Officers.

- 13.4 The Board shall make available, at the option of a shareholder, an alternative dispute mechanism, which is included in the Company's Manual on Corporate Governance to resolve intra-corporate disputes in an amicable and effective manner, as follows:

Alternative Dispute Resolution System

Corporation & Stockholders

The policy is to assiduously pursue an amicable resolution of differences or conflicts with shareholders for the best interest of the Company and its stakeholders.

Procedures:

- A shareholder complainant refers the issue to the Corporate Secretary, who makes an initial evaluation, in consultation with the CEO, the Compliance Officer and officers directly involved, if any. Where warranted, the matter is reported to the Chairperson for their inputs.
- The Corporate Secretary and/or the external counsel are tasked to pursue an amicable resolution with the concerned shareholder that is fair to both parties. The Corporate Secretary invites the shareholder to a meeting where the matter is discussed in detail. Every effort is made to favor the shareholder without causing prejudice to the Company and its stakeholders.

- Depending on the nature of the dispute and the significance of the matter, a Board approval is sought before entering into a compromise settlement.

Company & Third Parties

In the case of disputes with third parties, the policy is to pursue a fair settlement to avoid protracted and costly litigation, adopting the following procedures:

- A third party complainant refers the issue to the Vice President for Legal Affairs, who makes an initial evaluation in consultation with the CEO and other officers who may be directly involved, if any. External counsel may be consulted. Where the matter is significant or material, it is brought to the attention of the Chairperson;
- The Vice President for Legal Affairs is tasked to pursue an amicable settlement with the third party. Subject to a Board approval, external counsel may also be involved in this process. To the extent possible, litigation is avoided, subject always to the policy that the corporate interest must be the first consideration; and,
- Depending on the nature of the controversy or the amount involved, a compromise settlement will require the prior approval of the CEO or the Chairperson, or ultimately the Board.

Company & Regulatory Authorities

Any dispute with a regulatory authority is always deemed to be of the highest priority. The policy of the Company is to adhere to all applicable laws, rules and regulations and to always cooperate with regulatory authorities consistent with law and the interests of the Company and of its stakeholders, with the following procedures:

- A concerned department refers the matter immediately to the Vice President for Legal Affairs or for tax matters, to the CFO, who must bring the matter to the attention of the CEO. Where the Commission or the PSE is involved, the matter is immediately referred to the Corporate Secretary, who will also consult with the CEO and the CFO. Significant matters are immediately reported to the Chairperson;
- Significant matters are reported to the Board;

- The Vice President for Legal Affairs or the Corporate Secretary, as the case may be, is tasked to pursue an amicable settlement with the regulatory authority. For tax matters, the CFO consults tax counsel and pursues a fair and lawful resolution of the matter with the tax authority; and
- Where warranted under the circumstances (depending on amount, nature, etc.), a Board approval is obtained. This must be done expeditiously and with little or no delay.

13.5 The Board shall establish an Investor Relations Office (IRO) to ensure constant engagement with its shareholders. The IRO shall be present at every shareholders' meeting.

14. DUTIES TO STAKEHOLDERS

The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders shall have the opportunity to obtain prompt and effective redress for the violation of their rights.

14.1 The Board shall identify the Company's various stakeholders and promote cooperation between them and the Company in creating wealth, growth and sustainability.

14.2 The Board shall establish clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.

14.3 The Board shall adopt a transparent framework and process that allow stakeholders to communicate with the Company and to obtain redress for the violation of their rights.

15. ENCOURAGING EMPLOYEES' PARTICIPATION

A mechanism for employee participation shall be developed to create a symbiotic environment, realize the Company's goals and participate in its corporate governance processes.

15.1 The Board shall establish policies, programs and procedures that encourage employees to actively participate in the realization of the Company's goals and in its governance.

15.2 The Board shall set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Business Conduct and Ethics (Annexes "L, L-1, L-2, L-3 and L-4"). Further, the Board shall disseminate the policy and program to

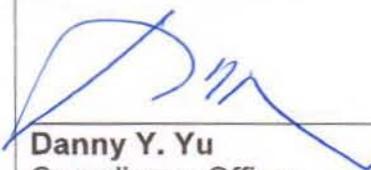
Officers, Executives and Employees across the organization through trainings to embed them in the Company's culture.

- 15.3 The Board shall establish a suitable framework for whistleblowing that allows Executives and Employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. The Board shall be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement.

16. ENCOURAGING SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The Company shall be socially responsible in all its dealings with the communities where it operates. It shall ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

The Company shall recognize and place importance on the interdependence between business and society, and promote a mutually beneficial relationship that allows the Company to grow its business, while contributing to the advancement of the society where it operates.

 <hr/> <p>Manuel V. Pangilinan Chairman of the Board</p> <p>Date: _____</p>	 <hr/> <p>Danny Y. Yu Compliance Officer</p> <p>Date: _____</p>	 <hr/> <p>Barbara Anne C. Migallos Corporate Secretary</p> <p>Date: _____</p>
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Philex Mining Corporation
Board Charter

I. Introduction

This Constitutes the Charter of the Board of Directors (the “Board”) of Philex Mining Corporation (the “Company”) which sets forth its purposes, authority, duties and responsibilities, structure and procedures in accordance with Securities and Exchange Commission (“SEC”) Memorandum Circular No. 19, Series of 2016, otherwise known as the Revised Code of Corporate Governance for Publicly Listed Companies issued on November 22, 2016.

The Company should be led by a competent Board of Directors, who has plenary powers over matters of governance and managing the regular and ordinary business of the Corporation. Within the Board’s chartered authority, the directors, acting collectively as a Board, have the fullest powers to regulate the concerns of the Corporation and provide independent oversight on Management, according to their best judgment. It shall be the Board's responsibility to promote and adhere to the principles and best practices of corporate governance, foster the long-term sustainability and success of the Corporation, and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Corporation, its shareholders, and other stakeholders.

This Board Charter shall apply suppletorily to the Company’s Articles of Incorporation, as amended, Corporate By-Laws, the Securities Regulation Code, and the Corporation Code of the Philippines but shall, in no way, supersede the same.

II. Composition, Term and Election

- (a) The Board shall be composed of eleven (11) Directors or such number of Directors provided in the Articles of Incorporation, majority of whom are non-executive directors, duly elected by stockholders entitled to vote in accordance with the Company’s By-Laws, the Corporation Code and the Securities Regulation Code. A Director must possess the necessary qualifications to effectively participate in, and help secure independent judgment on, corporate affairs and to provide proper checks and balances.

- (b) The Board shall have at least two (2) independent directors, or such number as to constitute at least 20% of the Board.
- (c) The Directors shall be elected in the annual meeting of the stockholders in accordance with the provisions of the Company's By-laws.
- (d) A duly elected director shall hold office for a period of one (1) year until his/her successor in interest is elected and qualified. Any vacancy in the Board before the end of the term shall be filled in accordance with the Company's By-laws.

III. Qualifications for or Disqualifications from Directorship

The following are the minimum qualifications of a Director of the Company, which may be amended from time to time to include additional qualifications provided in the Company's By-laws, Corporation Code, Securities Regulation Code, Corporate Governance Code and other relevant laws, rules and regulations.

QUALIFICATIONS OF A DIRECTOR

- a. Must own at least one (1) share of the capital stock of the Company standing in his name on the books of the Company;
- b. Must have a college education or equivalent academic degree;
- c. Must be at least twenty-one (21) years old;
- d. Must possess integrity and probity;
- e. Must have practical understanding of the business of the Company or previous business experience; and,
- f. Must have attended a seminar on corporate governance conducted by a duly recognized private or government entity or must have issued an undertaking to attend such a seminar as soon as practicable.

The Nominations Committee may consider and recommend to the Board other qualifications which are now or may hereafter be provided in the relevant existing

laws or any amendments thereto or new law applicable to the Company, including but not limited to, membership in good standing in a relevant industry, business or professional organization.

Further, the Nominations Committee shall assess the candidates' background, educational qualifications, relevant work experience, industry affiliations, expertise and stature as would enable the Board to make an informed deliberation.

The Nominations Committee shall also consider other relevant factors, such as any conflict of interest and directorships and/or positions in other corporations, which may compromise their capacity to diligently and effectively serve and perform their duties as Director, when elected.

The Nominations Committee may use external sources, such as professional search firms, director databases and/or other reputable external sources to ensure that the nominees are thoroughly and properly screened.

The selection process for directors is based on the competency and capability of nominees to evaluate, in accordance with the guidelines aligned with the Company's Mission/Vision and strategic directions, the soundness of the Company goals and objectives as well as the adequacy of the Board's duties and responsibilities.

In case of independent directors, the Nominations Committee shall review the business relationships and activities of the nominees to ensure that they have all the qualifications and none of the disqualifications as independent directors.

GROUND FOR DISQUALIFICATION OF A DIRECTOR

Permanent Disqualification

The following may be considered as grounds for the permanent disqualification of a director:

- a. Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that: (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant,

commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;

- b. Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC, Bangko Sentral ng Pilipinas (BSP) or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in subparagraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.

The disqualification should also apply if (a) such person is the subject of an order of the SEC, BSP or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the SEC or BSP, or under any rule or regulation issued by the SEC or BSP; (b) such person has otherwise been restrained to engage in any activity involving securities and banking; or (c) such person is the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;

- c. Any person convicted by final judgment or order by a court, or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;
- d. Any person who has been adjudged by final judgment or order of the SEC, BSP, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law, rule, regulation or order administered by the SEC or BSP;
- e. Any person judicially declared as insolvent;

- f. Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated previously;
- g. Conviction by final judgment of an offense punishable by imprisonment for more than six years, or a violation of the Corporation Code committed within five years prior to the date of his election or appointment; and,
- h. Other grounds as the SEC may provide.

Temporary Disqualification

In addition, the following may be grounds for temporary disqualification of a director:

- a. Absence in more than fifty percent (50%) of all regular and special meetings of the Board during his incumbency, or any 12-month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification should apply for purposes of the succeeding election;
- b. Dismissal or termination for cause as director of any publicly-listed company, public company, registered issuer of securities and holder of a secondary license from the SEC. The disqualification should be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination;
- c. If the beneficial equity ownership of an independent director in the corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification from being elected as an independent director is lifted if the limit is later complied with; and,
- d. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

The grounds for disqualification, whether permanent or temporary, may be amended from time to time to conform to the provisions of the Corporation Code of the Philippines, Securities Regulation Code, SEC-issued Code of Corporate Governance and other relevant laws, rules and regulations, and such other rules as may be approved by the Board.

QUALIFICATIONS OF AN INDEPENDENT DIRECTOR

“Independent Director” means a person who is independent of management and the controlling shareholder and is free from any business or other relationship which could, or could reasonably be perceived to materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director of the Company. An independent director refers to a person who ideally:

- a. Is not, or has not been a senior officer or employee of the Company unless there has been a change in the controlling ownership of the Company;
- b. Is not a director, officer, employee of the Company or any of its related companies or any of its substantial shareholders (other than as an Independent Director of any of the foregoing);
- c. Is not an owner of more than two percent (2%) of the outstanding shares of the covered company, its subsidiaries, associates, affiliates or related companies;
- d. Is not a relative of a director, officer, or substantial shareholder of the Company or any of its related companies or of any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister;
- e. Is not acting as a nominee or representative of any director of the Company or any of its related companies;
- f. Is not a securities broker-dealer of listed companies and registered issuers of securities. “Securities broker-dealer” refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;
- g. Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the Company, any of its related companies or substantial shareholder, or is otherwise independent of Management and free from any business or other relationship within the three years immediately preceding the date of his election;
- h. Does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner, director or substantial shareholder, in any transaction with the Company or any of its related companies or substantial shareholders, other than such transactions that are conducted at arm’s length and could not materially interfere with or influence the exercise of his independent judgment;

- i. Is not affiliated with any non-profit organization that receives significant funding from the covered company or any of its related companies or substantial shareholders; and,
- j. Is not employed as an executive officer of another company where any of the Company's executives serve as directors.

Related companies, as used in this section, refer to (a) the Company's holding/parent company; (b) its subsidiaries; and, (c) subsidiaries of its holding/parent company.

To qualify for nomination as an Independent Director, a person must possess all of the qualifications and have none of the disqualifications for directorship in the Company as set forth in this charter, and must meet the independence criteria enumerated above and such other criteria provided under applicable law or regulation or as determined by the Board of Directors or the Nomination Committee.

An incumbent Independent Director shall be disqualified from continuing to be such during the remainder of his tenure if, upon determination by the Board or the Nomination Committee: (a) he ceases to meet any of the independence criteria provided above, or (b) he becomes disqualified from directorship based on any of the grounds for disqualification as enumerated herein.

IV. General responsibilities of the Board and the Directors

The Board shall exercise the corporate powers, conduct the business, and control the properties of the Company and shall be responsible for fostering the long-term success of the Company and securing its sustained competitiveness in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders.

Consistent with the director's three-fold duty of obedience, diligence and loyalty to the Company, a director shall:

- (a) Act within the scope of power and authority of the Company and the Board as prescribed in the Articles of Incorporation, By-Laws, and in existing laws, rules and regulations;

- (b) Exercise the best care, skill and judgment, and observe utmost good faith in the conduct and management of the business and affairs of the Company; and,
- (c) Act in the best interest of the Company and for the common benefit of the Company's stockholders and other stakeholders.

V. Specific Duties and Functions of the Board

To ensure a high standard of governance for the Company, and to promote and protect the interest of the Company, its stockholders and other stakeholders, the Board shall:

- (a) Implement a process of selection of Directors to ensure a mix of knowledge, expertise and experience and balance among independent, non-executive and executive directors in the context of the needs of the Board, and that each Director can add value and contribute independent judgment to the formulation of sound corporate strategies and policies;
- (b) Constitute an Audit Committee, Risk Committee, Nominations Committee, Compensation Committee, Corporate Governance Committee, and such other committees that it deems necessary to assist the Board in the performance of its duties and responsibilities;
- (c) Select and appoint the CEO and other Senior Officers as defined under the Company's By-laws;
- (d) Determine and review annually, together with Management, the Company's vision, mission and strategic objectives;
- (e) Oversee Management's implementation of business strategies, plans and objectives and periodically evaluate Management's overall performance;
- (f) Oversee Management's establishment and maintenance of effective and adequate financial reporting and internal control systems;
- (g) Oversee Management's adoption and implementation of a system for identifying, monitoring and managing key risk areas, and review Management's reports to the Board on major risk exposures of the

Company and the actions taken to monitor, minimize, control or manage such risk;

- (h) Oversee, through the Compensation Committee, Management's adoption of compensation plans and professional development programs and succession planning for Executive Directors and the Chief Executive Officer;
- (i) Align the compensation of key officers and Board members with the long-term interests of the company as much as practicable.
- (j) Ensure that the Company has an internal audit system that can reasonably assure the Board and Management that the Company's organizational and operational controls are complied with;
- (k) Ensure that the Company has an independent audit mechanism for the proper audit and review of the Company's financial statements by independent auditors;
- (l) Ensure that the Company complies with all relevant laws, rules and regulations and endeavors to adopt best business practices;
- (m) Ensure that the Company has an effective investor relations program that will keep stockholders and investors informed of important developments in the Company;
- (n) Ensure that the Company has a program for communication with the sectors in the community in which the Company operates or which are directly affected by its operations. The Board, in coordination with Management, shall identify the Company's stakeholders in the community in which it operates or are directly affected by its operations and formulate a clear policy of accurate, timely and effective communication with them;
- (o) Ensure that the Company establishes appropriate governance policies and procedures pursuant to the Revised Manual of Corporate Governance, including, but not limited to, policies on conflict of interest and related party transactions, and oversee the effective implementation thereof;

- (p) Properly discharge Board functions by meeting regularly, give due consideration to independent views and ensure the integrity of decision making during Board meetings;
- (q) Ensure that the Board and Board Committees are able to obtain independent professional advice at the Company's expense and have access to Management as they may deem necessary or appropriate to carry out their duties;
- (r) Establish and maintain an alternative dispute resolution system in the Company that can, where practicable or feasible, amicably settle conflicts or difference between the Company and its stockholders and the Company and third parties, including regulatory authorities;
- (s) Promote a culture that advocates responsible mining at all times through timely, appropriate and effective corporate social responsibility initiatives, with specific focus on community development, social progress, and environmental management, in accordance with all pertinent Philippine laws, rules and regulations;
- (t) Adopt a globally-recognized standard or framework in reporting sustainability initiatives and accomplishments as well as non-financial information through the Annual Sustainability Report, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, to ensure long-term sustainability and social acceptability;
- (u) Strictly observe and apply, at all times, the high ethical standards and professional behaviour in internal and external dealings; and
- (v) Such other functions as may be necessary in the furtherance of the best interest of the Company, its shareholders and other stakeholders.

VI. Specific Duties and Responsibilities of a Director

A Director should act in a manner characterized by integrity, transparency, accountability and fairness. Consistent with this, a Director shall:

- (a) Conduct business transactions with the Company fairly. He shall ensure that his personal interest does not conflict with the interests of the

Company or affect his independent judgment and the Board's decisions, and fully and immediately disclose an actual or potential conflict of interest that may arise;

- (b) Devote the time and attention necessary to properly and effectively discharge his/her fiduciary duties and responsibilities;
- (c) Act judiciously on matters brought before the Board, thoroughly evaluating the issues involved before making any decision;
- (d) Exercise independent judgment;
- (e) Have a working knowledge of the statutory and regulatory requirements that affect the Company and its operations, including the provisions of the Company's Articles and By-Laws, the requirements of the SEC and other regulatory agencies having jurisdiction over the Company, and keep abreast with industry developments and business trends; and,
- (f) Observe and safeguard confidentiality of non-public information acquired by reason of his position as a Director.

VII. Board Meetings

- (a) The Board shall schedule and hold regular meetings in accordance with its By-Laws and convene for special meetings when required by business exigencies. The notice and agenda of the meeting and other relevant meeting materials shall be furnished to the Directors prior to each meeting. The Corporate Secretary shall ensure that minutes are taken during every Board Meeting in accordance with the By-Laws.
- (b) Each Director shall attend each Board meeting, except when justifiable causes prevent his attendance, to ensure that the quorum requirement will be met. Justifiable causes include, among others, but are not limited to, grave illness, death of an immediate family member, or serious accidents.
- (c) In any meeting of the Board, an Independent Director should always be in attendance to promote transparency. However, unless otherwise provided in the By-Laws, the absence of an Independent Director shall not affect the quorum requirement.

- (d) In order to monitor the directors' compliance with the attendance requirements, the Company shall submit to the SEC every January of the following year, the Directors' record of attendance during Board meetings.
- (e) The Board shall hold executive sessions with the Chairman, the Independent Directors and the non-Executive Directors at least once a year and at such other times as the Board may deem necessary or appropriate. Such sessions shall be presided by the Chairman.

VIII. Compensation of Directors

Directors shall not receive any compensation as such, except for reasonable per diems, unless such compensation is provided in the By-Laws or granted by a vote of the stockholders representing at least a majority of the outstanding capital stock of the Company.

IX. Directorships in Other Boards

The Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations. In any case, the capacity of Directors to diligently and efficiently perform their duties and responsibilities to the Company should not be compromised.

A director should notify the Board before accepting a directorship in another company.

X. Amendment

This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.

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Title: <p style="text-align: center;">Directors' and Officers' Orientation and Training Policy</p>			

POLICY STATEMENT

Philex Mining Corporation (“PX” or the “Company”) hereby formalizes the Directors’ and Officers’ Orientation and Training Policy (the “Policy”), consistent with the key mandates and specific duties and responsibilities of each member of the Board of Directors (the “Board”) and each officer of the Company.

As a rule, each member of the Board shall comply with the requirements set out in this Policy on the orientation programs for first-time Directors and the mandatory annual training programs for all the members of the Board, as far as practicable. The mandatory annual training program shall also apply to executive officers with the rank of Vice President and above (“Officers”).

1. ORIENTATION PROGRAM FOR NEW DIRECTORS

1.1. Rationale

This Policy aims to provide first-time Directors of the Company with the necessary knowledge of and familiarity with the Company’s day-to-day operations. It is the Company’s belief that all the Directors will have more meaningful contributions to the Company if each is properly and suitably informed of the activities of the Company. This can be earliest achieved through a comprehensive orientation program for all directors upon joining the Board.

1.2. Orientation of the First-Time Directors

The Orientation Program of the first-time directors will provide an overview of the overall operations of the Company and will allow the first-time directors to interact with the key partners of the Company.

First-time directors shall likewise have the opportunity to meet with the Chairman of the Board, the Chief Executive Officer, Compliance Officer, and the Corporate Secretary. Topics for discussion may include but are not limited to the following:

- Overview of the Company including the introduction of the Company’s business and brief discussion of Charter documents;

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- Current events and reports of the Company;
- Corporate Governance Structure and Policies, including the duties and responsibilities of a director;
- Business Plans & Forecasts; and,
- Directors' and Officers' Insurance Coverage.

The orientation program for first-time directors shall be held for a minimum of eight (8) hours and shall be done ideally within the first 30 days of the Director's tenure, and if possible, before the Director's first Board meeting.

1.3. Visit and Inspection of Mine Site

First-time Directors are encouraged to visit the Company's sites of operations within the same period provided in item 1.2 above or as soon as practicable. Management will make the necessary arrangements for this visit.

The objective is to help the first-time directors gain familiarity with the business environment and the actual operations of the Company. In addition, this will be an opportunity for first-time directors to interact with the middle management and the other employees of the Company.

2. TRAININGS AND DEVELOPMENT REQUIREMENTS

2.1 Rationale

This Policy aims to ensure that the members of the Board and Company officers are provided with the necessary, relevant and appropriate training and/or development programs annually. The annual training of the members of the Board and Company officers ensures that they are informed of the developments in the business and regulatory landscapes of the industry. With these trainings, it is the Company's belief that the Board and the Officers will enhance their effectiveness and competency in addressing the needs of the Company.

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2.2 Training and Development Program

The Corporate Governance Officer and the Corporate Secretary are responsible for arranging and facilitating the relevant and/or required training and/or development programs or courses for the members of the Board and Company officers.

A reasonable annual budget for the trainings and development programs shall be made available by the Company.

All Directors are required to complete at least four (4) hours of accredited seminar, workshop or program annually, whether sponsored by the Company or by external service provider/s, whether in or outside the Philippines. Directors may also choose to pursue a director certification program, if available.

Trainings and/or development programs for the members of the Board and Company officers may include but are not be limited to the following:

- Mining Operations;
- Revised Code of Corporate Governance
- ASEAN Corporate Governance Scorecard and SEC Annual Corporate Governance Report;
- Board Responsibilities
- Illegal activities of corporations/directors/officers;
- Insider trading;
- Protection of minority shareholders;
- Short Swing Transactions;
- Liabilities of Directors;
- Confidentiality;
- Conflict of Interest;
- Related Party Transactions;
- Case studies; and
- Financial Reporting and Audit.

The following activities shall likewise be made available:

- Management shall provide Directors and Company officers updates on items of interest regarding the Company and its business, along with

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pertinent articles and reports published regarding the Company and its business;

- Presentation by the Chief Finance Officer and/or Corporate Governance Officer on new accounting, legal, regulatory requirements, rules and/or policies affecting the Company;
- Mine site visits from time to time.

The Corporate Secretary shall keep records of the details of attendance at seminars and participation in directors' and officers' training courses of each director and officer.

3. EFFECTIVITY

This Policy shall be effective immediately.

4. QUESTIONS

For any questions about this policy you may contact the Corporate Governance Office.

5. AMENDMENT

This policy shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.

 PHILEX MINING CORPORATION	Corporate Governance Division	EFFECTIVE DATE: 04 /26 /2017	VERSION: 001
		DOCUMENT NO.: CGO.17.03	PAGE NO.: 1 of 3
Title:			
Board Diversity Policy			

POLICY STATEMENT

Consistent with Philex Mining Corporation’s (“PMC” or the “Company”) adherence to the principles of good corporate governance, the Company Board Diversity Policy (the “Policy”) is hereby issued to define the Company’s standing policy on board diversity.

1. Purpose

The Policy aims to ensure that optimal and sound decision-making is achieved by diversifying the composition of the Company’s Board of Directors (“Board”).

2. Vision

The Company recognizes the benefits of having a diverse Board to enhance the quality of its performance and decision making.

3. Policy Statement

The Company embraces and promotes diversity at all levels, including the Board. The Company recognizes that human capital remains its most valuable asset and as such, is committed to fostering, cultivating, and preserving a culture of diversity and inclusivity.

The collective sum of its diversity – in terms of background, race, ethnicity, religion, gender, age, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities, and talents – represents a significant part of PMC’s culture, reputation and achievements.

4. Measurable Objectives

Selection of candidates will include consideration of a range of diversity perspectives, including but not limited to:

- gender,
- age,
- cultural and educational background,



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- ethnicity,
- professional experience,
- skills,
- knowledge, and
- length of service.

The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board in respect of the Company's corporate objectives and the long term best interest of its shareholders and other stakeholders. The Board's composition (including gender, ethnicity, age and length of service) will be disclosed in the Company's Corporate Governance Report annually.

5. Composition of the Board

Pursuant to the Articles of Incorporation and By-Laws of the Company, the Board shall be composed of eleven (11) members, who shall be elected annually at the regular meeting of the stockholders.

Out of the eleven (11) members, at least one (1) shall be female; at least one (1) member shall be a lawyer with knowledge, experience and expertise on the regulatory requirements in the mining industry; and, at least two (2) members with financial expertise in managing credit, market and liquidity operations of the Company.

6. Monitoring and Reporting

The Nomination Committee will report annually, in the Company's Annual Corporate Governance Report, on the Board's composition under diversified perspectives, and monitor the implementation of this Policy.

7. Review of this Policy

The Nomination Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy. The Nomination Committee will discuss any



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revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

8. Disclosure of this Policy

This Policy will be published in the Corporate Governance section of the Company’s website for public information

9. Approval

<i>Endorsed For Board Approval By:</i>	<i>Endorsed For Board Approval By:</i>	<i>Endorsed For Board Approval By:</i>
<u>Original Signed</u> Danny Y. Yu Compliance Officer & Chief Finance Officer (CFO)	<u>Original Signed</u> Eulalio B. Austin, Jr. President & Chief Executive Officer (CEO)	<u>Original Signed</u> Marilyn V. Aquino Chairman, Corporate Governance Committee

**APPROVED BY THE BOARD OF DIRECTORS
ON APRIL 26, 2017**

PHILEX MINING CORPORATION

Nominations Committee Charter

I. Introduction

This Revised Charter of the Nominations Committee (the “Committee”) of Philex Mining Corporation (the “Company”) sets forth the Committee’s purpose, authority, duties and responsibilities, structure and procedures, which shall guide the Committee as prescribed by the Revised Manual on Corporate Governance (“RMCG”). The Committee shall conduct an annual review and assessment of this Charter, and recommend to the Company’s Board of Directors (the “Board”) revisions, as it may deem necessary and beneficial to the efficient performance of its functions.

II. Purpose, Authority, Duties and Responsibilities

1. Purpose

The primary purpose of the Committee is to assist the Board in dealing with matters relating to the appointment and removal of directors, to formulate nomination policy for the Board’s consideration, and to implement the approved nomination policy.

2. Authority

- 2.1 The Committee shall report directly to the Board on its decision or recommendation.
- 2.2 The Committee may require Management to provide it with such corporate records and other documents as may be necessary or appropriate for the Committee to discharge its functions effectively.
- 2.3 The Committee is authorized to obtain external legal and other independent professional firms with relevant experience and expertise, to assist and advise the Committee on matters it considers necessary. The Committee shall in consultation with the Board have authority to approve all reasonable related fees and terms of engagement of the external advisers/consultants, which fees shall be borne by the Company.

3. Duties and Responsibilities

The Committee has the following duties and functions among others:

- 3.1 To review the structure, size, balance and composition of the Board at least annually in accordance with the Company's Board Diversity Policy;
- 3.2 To make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, having regard to the Board Diversity Policy;
- 3.3 To determine and develop a nomination process and define the general profile of a Director in accordance with the Board Diversity Policy;
- 3.4 To identify the candidates suitably qualified to become a Director;
- 3.5 To recommend, with full power to weed out nuisance candidates, the qualified candidates to shareholders for election;
- 3.6 To provide the Board and the shareholders sufficient biographical details of the nominated candidates to enable them to make an informed decision on the selection of individuals nominated as director;
- 3.7 To identify and nominate candidates suitably qualified to fill the temporary vacancies of directors for the Board's approval;
- 3.8 To make recommendations to the Board on the appointment or reappointment of directors and succession planning for the Executive Directors and/or the Chief Executive Officer;
- 3.9 To assess the independence of independent non-executive directors, and to review the independent non-executive directors' annual confirmations on their independence, and to make disclosure of its review results in the Annual Corporate Governance Report;
- 3.10 Where the Board, based on the recommendation from the Committee, proposes a resolution to elect an individual as an independent non-executive director, the Committee shall review the Board's explanation as set out in the circular given to the shareholders and/ or explanatory statement attached in the notice of stockholder's meeting specifying the

reasons why the Board believes that the nominee should be elected and why the Board considers him/her to be independent;

- 3.11 To adopt guidelines to address competing time commitments that directors serving on multiple boards and regularly review the time required for a Director to perform his responsibilities;
- 3.12 As much as practicable, to conform to any requirement, direction and regulation that may from time to time be prescribed by the Board or imposed by the concerned regulatory authorities;
- 3.13 To review the Company's Board Diversity Policy and to recommend any necessary changes;
- 3.14 To report annually, in the Annual Corporate Governance Report, the Board's composition under diversified perspectives and monitor the implementation of the Board Diversity Policy; and,
- 3.15 To do any such act necessary to enable the Committee to perform its powers and functions under this Charter and as conferred by the Board.

III. Composition

1. The Committee shall consist of at least three (3) members, each of whom, including the Chairman thereof, shall be appointed by the Board.
2. The Chairman must be either an independent non-executive director or the Chairman of the Board.
3. The office of a Member shall *ipso facto* be vacated:
 - i. if he resigns as a Member of the Committee or of the Board;
 - ii. if he is removed by a resolution of the Board;
 - iii. if he is declared to be incompetent or of unsound mind; or
 - iv. if he is subsequently disqualified from becoming a Member.

A Member shall be disqualified from being part of the Committee during the remainder of his tenure if, upon determination by the Board or Nomination Committee, he ceases to meet the qualifications for directorship, or he becomes disqualified from directorship based on any grounds for disqualification set forth in the recently issued RMCG.

4. The Board may, from time to time, vary the composition of the Committee as may be required by the Securities and Exchange Commission (SEC) or other codes, rules and regulations as may be prescribed by the applicable regulatory authority.
5. The Company's Corporate Secretary or his/her nominee shall be the Secretary of the Committee.

IV. Committee Procedures

1. Meetings

1.1 Frequency

The Committee shall meet at least twice in a calendar year. In addition, the Committee's Chairman may convene additional meetings at his discretion, and at such other time as the Committee may consider appropriate and necessary to perform its responsibilities.

1.2 Notice

- a. Notice of any meetings of the Committee will be given at least five (5) days prior to any such meeting being held unless all Members unanimously waive such notice; provided however that the Chairman of the Committee, motu proprio or at the request of the Chairman of the Board or of the CEO, may call the meeting at shorter notice when the circumstances so require. Irrespective of the length of notice being given, attendance in a meeting by a Member shall be deemed a waiver of the notice requirement.
- b. Each Member shall give to the Secretary of the Committee a mailing address, an electronic mail address (e-mail) and a facsimile number for the service of notices of meetings of the Committee.
- c. Notice of a meeting of the Committee shall be deemed duly served upon a Member if it is given to him personally, or sent to him by mail, e-mail or facsimile transmission to his address or facsimile number on file with the Secretary of the Committee.

1.3 Quorum

A majority of the members of the Committee shall constitute a quorum, provided that the majority must always include an independent, non-executive director.

If after the lapse of thirty (30) minutes from the scheduled time of the meeting, a quorum is not reached, the meeting shall be adjourned until such date, time and place as the Chairman may determine.

2. Attendance

2.1 The Committee may invite the Chairman of the Board, other Directors, external advisers and/or any other persons who have specific responsibility for, or interest or expertise in, the subject under review to attend all or part of any meetings of the Committee.

2.2 Members may participate in a meeting through tele/ videoconferencing in accordance with the provisions of Securities and Exchange Commission Memorandum Circular No. 15 dated November 20, 2001.

2.3 Only Members are entitled to vote at Committee meetings.

2.4 In the absence of the Chairman and/or an appointed deputy, the remaining Members present shall elect one of the Members to chair the Committee meeting.

3. Escalation

The Committee shall timely refer to the Board its recommendations or decisions which require ratification or approval by the Board or as it may deem necessary or proper.

4. Resolutions

4.1 Every resolution of at least a majority of the Members present during the meeting at which a quorum is present shall be valid.

4.2 A resolution in writing signed by all Members shall be as valid and effective for all purposes as a resolution of the Committee passed at a meeting of the Committee duly convened, held and constituted. A written notification of confirmation of such resolution in writing sent by a Member

shall be deemed to be his signature to such resolution in writing for such purpose. Such resolution in writing may be signed in counterparts.

5. Minutes and Records

5.1 The Secretary of the Committee shall keep full minutes of all Committee meetings. Draft minutes of meetings of the Committee shall be sent to all Members for their comments within a reasonable time after the meeting. Final version of the minutes, duly signed by the Chairman, shall be sent to all Members for their records.

5.2 The Secretary of the Committee shall keep the following records:

- a. appointments and resignation of the Members;
- b. all agenda and other documents sent to the Members;
- c. minutes of proceedings and meetings of the Committee; and,
- d. such other documents as may be necessary in the performance of the Committee's functions.

5.3 Any such records shall be open for inspection by any Member at reasonable hours on business days. Demands for inspection must be made in good faith and for a legitimate purpose. Any cost arising from the conduct of inspection shall be borne by the Member requesting for inspection.

5.4 Minutes of any meeting of the Committee, if purported to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be conclusive evidence of the proceedings and resolutions of such meeting.

V. Policy on the Board Nomination

The Company herein adopts general guidelines to assist the Board and its nominating committee in the effective and efficient search, screening and selection of candidates for election/re-election as members of the Board. The general guidelines are set forth as follows:

- i. Board vacancies, election and/or re-election are announced, and the deadline for the submission of nominees to the Committee is likewise disclosed.
- ii. The Committee, through its Secretariat, shall receive the letters of nominations of candidates from stockholders within the required deadline.

- a. The Committee shall screen the nominees for election in accordance with the Company's RMCG. The Committee shall assess the candidates' background, educational qualifications, relevant work experience, industry affiliations, expertise and stature as would enable the Board to make an informed deliberation.
 - b. The Committee shall also consider other relevant factors, such as any conflict of interest and directorships and/or positions in other corporations, which may compromise their capacity to diligently and effectively serve and perform their duties as Director, when elected.
 - c. The Committee may use external sources, such as professional search firms, director databases and/or other reputable external sources to ensure that the nominees are thoroughly and properly screened.
 - d. In case of independent directors, the Committee shall review the business relationships and activities of the nominees to ensure that they have all the qualifications and none of the disqualifications as independent directors.
- iii. Nominees for independent directors, who accept the nomination, shall submit to the Committee a Certification of Independent Director stating his/her qualification and a list of affiliations and positions that may directly or indirectly give rise to conflict of interest or may contravene applicable regulations.
- iv. The Committee shall shortlist the nominees to be recommended to the Board, ensuring that:
- a. the persons nominated as a Director: (1) possess the knowledge, skills, experience, and particularly in the case of non-executive directors, independence of mind given their responsibilities to the Board and in light of the entity's business and risk profile; (2) have a record of integrity and good repute; (3) have sufficient time to carry out their responsibilities; and (4) have the ability to promote a smooth interaction between board members; and,
 - b. The selection process for directors is based on the competency and capability of nominees to evaluate, in accordance with the guidelines aligned with the Company's Mission/Vision and strategic directions, the soundness of the Company goals and objectives as well as the adequacy of the Board's duties and responsibilities.

- v. After screening, the Committee shall submit to the Board its recommended list of final nominees. All approved nominees are recommended for election/re-election as Directors at the next stockholders meeting or Board meeting, as the case may be.
- vi. The Committee shall assess the effectiveness of the Board's processes and procedures in the nomination, election, or replacement of a director and recommend changes for the approval of the Board.

VI. Remuneration of Members

Except for the reasonable per diems approved by the Board for such purposes, no fees or other remuneration shall be payable to the Members in respect of their services under this Charter.

No fees or compensation shall be paid directly or indirectly to any Member or his firm for consultancy or advisory services rendered to the Company directly by the Member or indirectly through his firm. However, this prohibition shall not apply to ordinary compensation paid to a Member or his firm in respect of any business relationship or transaction determined to be at arm's length terms and could not materially interfere with or influence the exercise of his independent judgment.

VII. Amendment

This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board

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Related Party Transaction Policy			

1. RATIONALE

The **Related Party Transaction (RPT) Policy** is intended to ensure proper review, approval, and reporting of transactions between the Company and Related Parties, consistent with the Corporation Code, the Securities Regulations Code and such other laws and issuances, applicable accounting standards, disclosure requirements and principles of good corporate governance.

2. GENERAL PRINCIPLES

The Company shall, as soon as practicable, adopt implementing rules and regulations in furtherance of this Policy, in accordance with the following guidelines:

- 2.1 The Company shall at all times observe and adhere to the provisions of the Corporation Code, its Articles of Incorporation and By-laws, and all other relevant laws, rules and regulations, as may be applicable in the review, approval and disclosure of Related Party Transactions¹ (“**RPT**”). The Company shall at all times observe, uphold and respect the rights of its shareholders, minority and majority alike, through this RPT Policy.
- 2.2 In the review and approval of RPT, the Company shall at all times abide by the following standards:
 - a. That the RPT is “fair and at arm’s length”²;
 - b. That the RPT is in the best interest of the Company and its stockholders, based on relevant circumstances which include:
 - i. Basic terms of the transaction;
 - ii. Related party’s interest in the transaction;
 - iii. Purpose and timing of the transaction;
 - iv. Nature of the Company’s participation in the transaction;
 - v. Cost basis and other relevant information if involving sale of assets;
 - vi. Information on potential counterparties in the transaction including market prices for similar products and services;
 - vii. Description of any provisions or limitations that may be imposed as a result of the transaction; and,
 - viii. Any potential reputational risk issues that may arise as a result of or in connection with the transaction.

¹ Please see Annex A for definition of “Related Party Transactions” and “Related Parties”.

² “Fair & at Arm’s Length” refers to transactions in an open and unrestricted market and between willing parties who are knowledgeable, informed, and who act independently of and without regard to any relationship with each other.



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- c. For purposes of this Policy, a Material and/or Significant RPT is defined as those transactions with a Related Party which involve an aggregate amount or value equal to or greater than Fifty Million Pesos (P50Million) over a twelve (12) month calendar year period (“**Material and/or Significant RPT**”);
- d. As matter of policy and procedure, all Material and/or Significant RPT shall be subject to review and endorsement by the **Related Party Transaction Committee** (“**RPT Committee**”) and with the concurrence of all Independent Directors prior to approval by the Board except those covered under Annex B (“**Exempt RPT**”);
- e. The following Material and/or Significant RPT must be approved by the Board, and, as the Board deems necessary, it may be further submitted to the stockholders for ratification and final approval:
 - i. contract between an officer under the By-Laws and the Company;
 - ii. contract between a director and the Company when the presence of such director in the Board meeting in which the contract was approved was necessary to constitute a quorum and the vote of such director was necessary for the approval of the contract, approval by the Company’s stockholders is required;
 - iii. contract between the Company and another corporation with interlocking directors, if the interest of the interlocking director in the Company is nominal³ and his interest in the other corporation is substantial⁴, and such director’s presence in the Company’s Board meeting in which the contract was approved was necessary to constitute a quorum and the vote of such director was necessary for the approval of the contract, approval by the Company’s stockholders is also required; and,
 - iv. management contract where the Company undertakes to manage or operate all or substantially all of the business of another corporation or vice versa.
- f. All Material and/or Significant RPT shall be reported by the Compliance Officer to the Audit Committee to ensure full and timely disclosure in the annual and quarterly

³ Pursuant to Section 33 of the Corporation Code, nominal interest exists when the stockholdings of the director is twenty percent (20%) or below of the outstanding capital stock.

⁴ A director has a substantial interest if his stockholdings exceeds twenty percent (20%) of the outstanding capital stock.



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reports submitted to the Securities and Exchange Commission and in the Notes to the Financial Statements, whether on an interim or annual basis, as required under PAS 24 on Related Party Transaction Disclosures and other disclosure requirements; and,

- g. The Company shall ensure that the review and approval of Material and/or Significant RPT carried out by its subsidiaries are conducted in accordance with this Policy.

3. EFFECTIVITY

This policy shall have immediate and prospective effect.

<i>Endorsed For Board Approval By:</i>	<i>Endorsed For Board Approval By:</i>	<i>Endorsed For Board Approval By:</i>
<u>Original Signed</u> Danny Y. Yu Compliance Officer & Chief Finance Officer (CFO)	<u>Original Signed</u> Eulalio B. Austin, Jr. President & Chief Executive Officer (CEO)	<u>Original Signed</u> Marilyn V. Aquino Chairman, Corporate Governance Committee

**APPROVED BY THE BOARD OF DIRECTORS
ON APRIL 26, 2017**

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ANNEX "A": DEFINITION

Definition of Related Party *(based on International Financial Reporting Standards):*

A related party is defined as any entity that falls under any of the following situations:

- *Associate.* The party is an associate of Philex Mining Corporation
- *Common control.* The party is, directly or indirectly, either under common control with Philex Mining Corporation entity or has significant or joint control over Philex Mining Corporation.
- *Family member.* The party is a close family member of a person who is part of key management personnel or who controls Philex Mining Corporation. A close family member is an individual's domestic partner and children, children of the domestic partner, and dependents of the individual or the individual's domestic partner.
- *Individual control.* The party is controlled or significantly influenced by a member of key management personnel or by a person who controls Philex Mining Corporation.
- *Joint venture.* The party is a joint venture in which Philex Mining Corporation is a venture partner.
- *Key management.* The party is a member of an Philex Mining Corporation's or its parent's key management personnel.
- *Post-employment plan.* The party is a post-employment benefit plan for the Philex Mining Corporation 's employees.

Related party transaction (RPT) is a transfer of resources, services or obligations between a Philex Mining Corporation and a related party, regardless of whether a price is charged.

Examples of RPT as follows:

- purchases or sales of goods (finished or unfinished);
- purchases or sales of property and other assets;
- rendering or receiving of services;
- leases;
- transfers under finance arrangements (including loans and equity contributions in cash or in kind); and,
- settlement of liabilities on behalf of the entity or by the entity on behalf of that related party.



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Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- a) that person's children and spouse or domestic partner;
- b) children of that person's spouse or domestic partner; and
- c) dependents of that person or that person's spouse or domestic partner.

Compensation includes all employee benefits (as defined in IAS 19 *Employee Benefits*) including employee benefits to which IFRS 2 *Share-based Payment* applies. Employee benefits are all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity. Compensation includes:

- a) short-term employee benefits, such as wages, salaries and social security contributions, paid annual leave and paid sick leave, profit-sharing and bonuses (if payable within twelve months of the end of the period) and non-monetary benefits (such as medical care, housing, cars and free or subsidized goods or services) for current employees;
- b) post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care;
- c) other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit-sharing, bonuses and deferred compensation;
- d) termination benefits; and,
- e) share-based payment.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the contractually agreed sharing of control over an economic activity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies. Significant influence may be gained by share ownership, statute or agreement.



Title:

Related Party Transaction Policy

Government refers to government, government agencies and similar bodies whether local, national or international.

A **government-related entity** is an entity that is controlled, jointly controlled or significantly influenced by a government.

	Corporate Governance	EFFECTIVE DATE: 04/26/2017	VERSION: 003
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Title: <div style="text-align: center;">Related Party Transaction Policy</div>			

ANNEX “B”: EXEMPT RPT

The following shall be considered as “**Exempt RPT**”:

1. Any transaction involving a Related Party where the rates or charges involved are determined by competitive bids, in accordance with Vendor Relations Policy of the Company.
2. Any transaction involving a Related Party wherein Company is a customer or client in the ordinary or regular course of business of consumer goods or consumer services, or fees are based on a fixed or graduated scale which is publicly quoted or applied consistently to all customers or class of customers.
3. Subject to the policy and/or guidelines as may be issued and approved by the Compensation Committee, any transaction that involves the providing of compensation to a director or an executive officer in connection with his or her duties to Company or any of its subsidiaries or affiliates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.

Exempt RPT are transactions which are no longer subject to review and/or endorsement by the CG Committee.

Philex Mining Corporation
Revised Audit Committee Charter

I. Introduction

This constitutes the Revised Charter of the Audit Committee of Philex Mining Corporation (“Company”).

This Revised Charter of the Audit Committee (“Charter”) sets forth the Audit Committee’s purposes, authority, duties and responsibilities, structure and procedures as prescribed by the Revised Code of Corporate Governance (the “CG Code”), the Company’s Manual on Corporate Governance (the “CG Manual”) and the Guidelines for the Assessment of Performance of Audit Committees of Companies Listed on the Exchange (the “Guidelines”) promulgated by the Securities and Exchange Commission (the “Commission”), and in view of the establishment by the Board of a separate Risk Committee . The Audit Committee shall conduct an annual review and assessment of this Charter, and adopt revisions if deemed necessary or beneficial.

II. Purposes, Authority, Duties and Responsibilities**1. Purposes**

The primary purpose of the Committee is to assist the Board in its oversight of the following:

- 1.1. the integrity of the Company’s accounting and financial reporting principles and policies, and system of internal controls, including the integrity of the Company’s financial statements and the independent audit thereof;
- 1.2. the Company’s compliance with legal and regulatory requirements;
- 1.3. the Company’s audit process and the performance of the Company’s internal audit organization and External Auditor, including the External Auditor’s qualifications and independence and;

The Committee shall also have such other duties and powers as may be delegated to the Committee by the Board, subject to such limitations as the Board may determine and notify to the Committee.

2. Authority

- 2.1. The Committee shall have the resources and authority appropriate to discharge its responsibilities, including the authority to engage external auditors for special audits, reviews and other procedures and to retain and obtain advice from special counsel and other experts or consultants, without need for Board approval.
- 2.2. The Chairman of the Committee and/or any of its Members may meet separately with Management, the Internal Audit Head and/or the external auditor/s of the Company to discuss any matter that the Committee or any of the foregoing persons or firms believes should be discussed privately. The Committee may also request any Officer, Executive or employee of the

Company or the Company's outside counsel or External Auditor to attend a meeting of the Committee or to meet with any Member or consultant of the Committee.

3. Duties and Responsibilities

To carry out its purposes, the Committee shall have the duties and responsibilities set forth in this Section 3. Where Board action is necessary or appropriate, the Committee shall escalate to the Board, in a timely and complete manner, its findings, conclusions or recommendations.

3.1. With respect to the External Auditor:

The primary responsibility of the Committee is oversight. Management is responsible for the integrity of the Company's financial statements and disclosures and for maintaining effective internal controls. The External Auditor is responsible for the proper audit and review of the Company's financial statements as may be required prior to the filing thereof with various stock exchanges and government entities. In fulfilling their responsibilities hereunder, it is recognized that Members are not full-time employees of the Company and are not, and do not represent themselves to be, accountants or auditors by profession or experts in the fields of accounting or auditing. As such, as it is not the duty or responsibility of the Committee to conduct "field work" or other types of auditing or accounting reviews or procedures and the Committee will be relying in part on the expertise of Management and the External Auditor. Each Member shall be entitled to rely on:

- the integrity of those persons within and outside the Company that it receives information from;
- the accuracy of the financial and other information provided to the Committee by such persons or organizations absent actual knowledge to contrary (which shall be promptly reported to the Board); and
- the representations made by Management as to any information technology, Internal audit and other non-audit services provided by the External Auditor to the Company.

The External Auditor shall report directly to the Committee. The Committee has the direct responsibility for the appointment, setting of compensation, retention, removal and oversight of the work of the External Auditor, in a manner consistent with applicable laws, regulations and valid corporate practice.

The Audit Committee shall:

- 3.1.1. review and evaluate the qualifications, performance and independence of the External Auditor and its lead audit partner primarily responsible for the audit of the Company's financial accounts;
- 3.1.2. recommend to the Board, for appropriate action as may be required by law, regulation or corporate practice, the selection and appointment of the External Auditor and, should the Committee deem necessary or appropriate, the removal or replacement of the External Auditor;
- 3.1.3. review and approve in consultation with the Internal Audit Head and the head of the finance organization, all audit and non-audit services to be performed by the External Auditor and all fees to be paid to the External Auditor for such services; and ensure that

non-audit services, if allowed or approved, are disclosed in the Company's annual report;

- 3.1.4. periodically review fees for non-audit services paid to the External Auditor in relation to their significance to the total annual income of the External Auditor and to the Company's overall consultancy expenses, and disallow any non-audit services that will conflict with the External Auditor's duties to the Company as such or may pose a threat to its independence;
- 3.1.5. ensure that the External Auditor prepares and delivers annually a formal written statement delineating all relationships between the External Auditor and the Company (Statement as to Independence) as required by the prevailing applicable Independence Standards, and discuss with the External Auditor and evaluate any relationships or services disclosed in such Statement that may impact the objectivity, independence or quality of services of the External Auditor and take appropriate action in response to such Statement to satisfy itself of the External Auditor's independence;
- 3.1.6. review, based upon the External Auditor's formal written statement (Auditors' Statement) submitted at least annually, the External Auditor's internal quality control procedures; any material issues raised by the most recent internal quality-control review or peer review of the External Auditor, or by any inquiry or investigation by governmental or professional authorities within the preceding five (5) years, regarding one or more independent audits carried out by the External Auditor; and any steps taken to deal with any such issues; and
- 3.1.7. ensure that the External Auditor, or its lead audit partner primarily responsible for the audit or review of the Company's financial accounts is rotated at least once every five (5) years or such shorter or longer period provided under applicable laws and regulations.

3.2. With respect to Internal Audit:

- 3.2.1. review the appointment, removal and replacement of the Internal Audit Head who shall be appointed by Management in accordance with the Company's employment policies but shall functionally report directly to the Committee, and ensure that the internal audit organization shall be free from interference by Management in the performance of its work;
- 3.2.2. advise the Internal Audit Head that he is expected to provide to the Committee summaries of and, as appropriate, significant reports to Management prepared by the Internal Audit Head and Management's responses thereto;
- 3.2.3. review and approve the audit plan (which shall include the audit scope, resources and budget necessary to implement it) of the internal audit organization, and ensure that internal audit examinations cover at least the evaluation of adequacy and effectiveness of controls encompassing the Company's governance, operations, information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets and compliance with laws, rules and regulations;

- 3.2.4. require the Internal Audit Head to render to the Committee an annual report on the internal audit organization's activities, purposes, and authorities, responsibilities and performance relative to the audit plans and strategies approved by the Committee. Such annual report shall include significant risk exposures and control issues, corporate governance issues, evaluation of compliance with the code of conduct for Management and other matters requested by the Committee or the Board;
 - 3.2.5. require a statement from the Internal Audit Head that the activities of the internal audit organization are conducted in accordance with the International Standards for the Professional Practice of Internal Auditing; if otherwise, a disclosure that the internal audit organization has not yet fully achieved compliance with the International Standards for the Professional Practice of Internal Auditing; and
 - 3.2.6. conduct an annual review and, if deemed appropriate, cause an update, of the Company's Internal Audit Charter.
 - 3.2.7. approve the outsourcing and/or co-sourcing of projects which are beyond the expertise of the current collective skills of the Internal Audit Department as recommended by its Head.
- 3.3. With respect to financial reporting principles and policies and system of internal controls:
- 3.3.1 advise Management and the External Auditor that they are expected to provide to the Committee a timely analysis of significant/critical financial reporting issues and practices;
 - 3.3.2. obtain and consider any reports or communications (and Management's and/or the Internal Audit Head's responses thereto) submitted to the Committee by the External Auditor as required by or referred to in the prevailing applicable Auditing Standard, including reports and communications related to:
 - the External Auditor's responsibility under generally accepted auditing standards;
 - the External Auditor's responsibility for other information in documents containing audited financial statements;
 - consideration of fraud in a financial statement audit;
 - detection of fraud and illegal acts, whether or not material, that involve Management or other employees who have a significant role in the Company's internal controls, and that cause a material misstatement of the financial statements;
 - significant/critical accounting policies and practices and any major issues regarding, or significant changes in, accounting principles or financial statement presentation;
 - methods of accounting for significant unusual transactions and for controversial or emerging areas for which there is a lack of authoritative guidance;
 - Management's judgments and accounting estimates;
 - all alternative treatments of financial information within generally accepted accounting principles that have been discussed by the External Auditor with

Management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the External Auditor;

- the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements;
- the External Auditor's judgments about the quality of the Company's accounting principles;
- significant deficiencies and material weaknesses noted in the audit in the design or operation of internal controls;
- adjustments arising from the audit;
- any material written communication between the External Auditor and Management such as any management letter or schedule of unadjusted differences;
- any significant disagreements with Management;
- major issues discussed with Management in connection with initial or recurring retention;
- consultation by Management with other accountants;
- any restriction on audit scope and the External Auditor's activities or access to requested information;
- difficulties encountered with Management while performing the audit; and
- reviews of interim financial information conducted by the External Auditor as may be required under applicable laws and regulations.

3.3.3. Meet with Management, the Internal Audit Head and/or the External Auditor to:

- discuss the scope of the annual audit;
- review and discuss the quarterly unaudited financial statements and the annual audited financial statements (including the disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations) with particular focus on, among other matters: (a) any change(s) in significant/critical accounting policies and practices, and issues related thereto; (b) major Management judgmental areas; (c) going concern assumptions, (d) compliance with applicable accounting standards, and (e) significant adjustments arising from the audit of the full year financial statements.
- discuss any earnings press releases, and financial information and earnings guidance provided to analysts and rating agencies; and
- discuss any significant changes to the Company's auditing and accounting principles, policies, controls, procedures and practices proposed or contemplated by the External Auditor, the Internal Audit Head or Management.

3.3.4 obtain from the External Auditor assurance that the audit was conducted in a manner consistent with certain procedures to be followed in any audit of financial statements required under the applicable rules of the relevant stock exchange, securities and exchange commission and other regulatory bodies;

3.3.5. ensure that Management has established and maintains and periodically reviews/evaluates the adequacy and effectiveness of the Company's internal control system;

3.3.6. review on a regular basis (a) internal control, (b) financial reporting, (c) internal audit activities, (d) external audit activities, (e) regulatory, legal and tax matters, (f) reporting responsibilities;

- 3.3.7. resolve disagreements between Management and the External Auditor regarding financial reporting;
 - 3.3.8. have separate sessions periodically, with Management, with the Internal Audit Head and with the External Auditor as the Committee may deem necessary to surface issues warranting the attention of the Committee; and
 - 3.3.9. ensure that the External Auditor and the internal audit organization act independently from each other, and that the Company or Management grants the External Auditor and the internal audit organization unrestricted access to all records, properties and personnel to enable the performance of their respective audit functions.
 - 3.3.10. ensure that review and appropriate approval from authorized signatories of management representation letter is performed prior to submission to external auditor
- 3.4. With respect to legal and regulatory compliance:
- 3.4.1. monitor compliance and adherence by the Company with all applicable laws and regulations pursuant to which the Company conducts its operations and business activities;
 - 3.4.2. in case of failure by the management to adopt, as necessary, appropriate remedial measures or sanctions with respect to any reported material violation of securities law or breach of fiduciary duty or similar violations by the Company, consider such reported violation and recommend the appropriate sanction therefore; and
 - 3.4.3. discuss with the Company's Chief Finance Officer/Compliance Officer, and endorse for consideration of the Risk Committee, any significant legal matters that may have a material effect on the financial statements, the Company's compliance policies, including material notices to or inquiries from governmental agencies.
- 3.5. With respect to reporting and recommendations:
- 3.5.1. establish or assess the procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
 - 3.5.2. conduct investigations of identified irregularities in the operations of the Company and anomalies on matters relating to finance and of funds disbursement which bear strategic significance to the Company and recommend to the Board the necessary actions to remedy, correct and prevent the repetition of such anomalies;
 - 3.5.3. set clear hiring policies for employees or former employees of the External Auditor;

- 3.5.4. prepare any report, including any recommendation of the Committee, required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy / information statement;
- 3.5.5. review this Charter at least annually and recommend any necessary changes to the Board;
- 3.5.6. report the Committee's activities to the Board at least once each year and make such recommendations with respect thereto and other matters as the Committee may deem necessary or appropriate; and
- 3.5.7. prepare and review with the Board an annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of its Charter, set forth the goals and objectives of the Committee for the ensuing year and include any recommendation to the Board on any improvements to this Charter deemed necessary or desirable by the Committee; provided that such report to the Board may take the form of an oral report by the Chairman of the Committee or any other Member designated by the Committee to make such report.

III. Committee Structure

1. Composition

- 1.1. The Committee shall have a minimum of three (3) Members, each of whom, including the Chairman thereof who shall be chosen from among the Members of the Board of Directors.
- 1.2. The Chairman shall be an Independent Director.
- 1.3. The Chairman of the Committee or any of its Members may be removed from office only by the Board.

2. Qualifications and Disqualifications

- 2.1. Each Member must be financially literate and the Chairman must have accounting or related financial management expertise, as such qualifications are interpreted by the Board in its business judgment. At least one (1) Member must be an audit committee financial expert or one who, through education and experience, has the following attributes as determined by the Board:
 - 2.1.1. an understanding of generally accepted accounting principles ("GAAP") and financial statements;
 - 2.2.2. an ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;
 - 2.2.3. experience in preparing or auditing or reviewing or analyzing financial statements that present a breadth and level of complexity of accounting issues that can reasonably be expected to be raised by the Company's financial statements;
 - 2.2.4. an understanding of internal controls and procedures for financial reporting; and
 - 2.2.5. an understanding of audit committee functions.

Appropriate orientation on the Company's business and mining industry shall be conducted to new members of the audit committee. Also, Management may provide or outsource special

technical training for a specific topic if requested by the audit committee to help them understand and decide accordingly.

2.2 The office of a Member shall *ipso facto* be vacated:

- 2.2.1. if he resigns his office as a Member;
- 2.2.2 if he is removed by a resolution of the Board;
- 2.2.3. if he becomes of unsound mind; or
- 2.2.4. if he is subsequently disqualified from becoming a Member.

A Member shall be disqualified from continuing to be such during the remainder of his tenure if, upon determination by the Board or its Nomination Committee, a Member ceases to meet the qualifications of a Board of Director or to possess any of the qualifications for directorship, or he becomes disqualified from directorship based on any grounds for disqualification set forth in the PMC Corporate Governance.

IV. Committee Procedures

1. Meetings

- 1.1. The Committee shall hold meetings at such times and places as it considers appropriate, provided that at least one (1) meeting shall be held in each calendar quarter.
- 1.2. Meetings of the Committee shall be convened by the Chairman of the Committee as and when he considers appropriate or upon the request of a majority of the Members.
- 1.3. A Committee meeting shall be convened upon notice in writing at least three (3) days prior to the meeting and specifying the place, date and time of the meeting and the matters to be discussed at the meeting.
- 1.4. Subject to Section IV.1 (j) below, notwithstanding that a meeting is called by shorter notice, it shall be deemed to have been duly convened if it is so agreed by the Members present in the meeting at which there is a quorum. A Member may consent to short notice and may waive notice of any meeting of the Committee and any such waiver may be retrospective.
- 1.5. Each Member shall give to the Secretary of the Committee an address and a facsimile number for the service of notices of meetings of the Committee.
- 1.6. Notice of a meeting of the Committee shall be deemed to be duly served upon a Member if it is given to him personally, or sent to him by mail or facsimile transmission to his address or facsimile number, as appropriate, given by him to the Secretary of the Committee in accordance with Section IV. 1. (e) above.
- 1.7. The quorum for a meeting of the Committee shall be at least a majority of the Members present throughout the meeting.
- 1.8. Resolutions at a meeting of the Committee at which there is a quorum shall be passed by a simple majority of votes of the Members present at such meeting.

- 1.8.1. Each Member, including the Chairman of the Committee, shall have one (1) vote.
 - 1.8.2. In case of an equality of votes, the Chairman of the Committee shall not have a second or casting vote.
 - 1.8.3. A resolution in writing signed by all Members shall be as valid and effective for all purposes as a resolution of the Committee passed at a meeting of the Committee duly convened, held and constituted. A written notification of confirmation of such resolution in writing sent by a Member shall be deemed to be his signature to such resolution in writing for such purpose. Such resolution in writing may consist of several documents, each signed by one or more Members.
- 1.9. If, within thirty (30) minutes from the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned until such other day, time and place as the Chairman of the meeting may determine.
 - 1.10. Notwithstanding any other provision herein, no business shall be properly transacted at any meeting of the Committee where prior notice of such meeting has not been provided to each Member a reasonable time prior to such meeting, and if any meeting is convened less than twenty four (24) hours' prior written notice to each Member.
 - 1.11. Members may participate in a meeting of the Committee through teleconference or video conference by means of which all persons participating in the meeting can hear each other.

2. Escalation

The Committee shall timely refer to the Board its recommendations or decisions which require ratification or approval by the Board or, if otherwise, as it may deem necessary or proper.

3. Minutes and Records

- 3.1. The Committee shall appoint a Secretary who shall prepare minutes of meetings of the Committee and keep records of the Committee.
- 3.2. The Committee shall cause records to be kept for the following:
 - 3.2.1. appointments and resignations of the Members;
 - 3.2.2. all agenda and other documents sent to the Members; and
 - 3.2.3. minutes of proceedings and meetings of the Committee.
- 3.3. Any such records shall be open for inspection by any Member upon reasonable prior notice during usual office hours of the Company.
 - 3.3.1. Minutes of any meeting of the Committee, if purported to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be conclusive evidence of the proceedings and resolutions of such meeting.

4. Notice

- 4.1. Except for notice of meetings of the Committee which shall be given or issued in accordance with Section IV.1 (f), any other notice or document to be given or issued to the Members may be served by the Committee upon any Member either:
 - 4.1.1. personally, or
 - 4.1.2. by sending it by mail, postage prepaid, addressed to such Member at his address and, in any case where the address of a Member is outside the Philippines, by prepaid airmail or courier, or
 - 4.1.3. by facsimile transmission.
- 4.2. Any notice sent by mail shall be deemed to have been served, in the case where the Member's address is in the Philippines, on the day following that on which the notice is mailed in the Philippines, and in any other case, on the third day after the day of mailing. In proving such service, it shall be sufficient to prove that the notice was properly addressed and mailed, postage prepaid. Any notice sent by facsimile transmission shall be deemed to have been sent upon dispatch, as evidenced by facsimile transmission confirmation report.
- 4.3. Any notice or other document required to be sent to or served upon the Committee or upon any Officer of the Company, may be sent or served by leaving the same, or sending it through the post in a postage prepaid envelope, addressed to the Committee or to such Officer, at the principal place of business of the Company.

V. Remuneration of Members

No fees or other remuneration shall be payable to the Members in respect of their services provided in connection with the Committee or in respect of their attendance at meetings of the Committee except fees or remuneration authorized and approved by the Board for such purposes. No fees or compensation shall be paid directly or indirectly to any Member or his firm for consultancy or advisory services rendered to the Company directly by the Member or indirectly through his firm even if such Member is not the actual service provider. However, this prohibition shall not apply to ordinary compensation paid to a Member or his firm in respect of any other supplier or other business relationship or transaction that the Board has determined to be at arm's length terms and immaterial for purposes of its basic Member's independence analysis.

VI. Amendment

This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.

INTERNAL AUDIT CHARTER

(Revision No. 4)

MISSION AND SCOPE OF WORK

The mission of the Internal Audit Department is to provide independent, objective assurance and consulting services designed to add value and improve the Company's operations. It will help the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

Assurance Services

The nature and scope of assurance services involve the objective assessment of evidence to provide an independent opinion or conclusions regarding the Company's governance, risk management, and control processes. Assurance services may include financial, operations, compliance to regulations, Company policies and guidelines and information systems reviews.

Consulting Services

Consulting services are advisory and related client service activities, the nature and scope of which are generally performed at the specific request of an engagement client. Consulting services are intended to add value and improve an organization's governance, risk management, and control processes without the internal auditor assuming management responsibility. Consulting services may include advisory, facilitation, training or giving counsels or advice to Management.

The scope of work of the Internal Audit Department is to determine whether the Company's network of risk management, control, and governance processes, as designed and represented by the management, is adequate and functioning in a manner to ensure:

- Employees' actions comply with policies, standards, procedures, and applicable laws and regulations.
- Resources are acquired economically, used efficiently, and adequately protected.
- Programs, plans, and objectives of the Company are achieved.
- Quality and continuous improvement are fostered in the Company's control process.
- Significant financial, managerial, and operating information are accurate, reliable, and timely.
- Significant legislative or regulatory issues affecting the Company are recognized and addressed appropriately.
- Risks management of the Company is in place.
- Interaction with the various governance groups occurs as needed.

Opportunities for improving management control, profitability, and the Company's image may be identified during audits. It should be communicated to the appropriate level of management.

ACCOUNTABILITY

The Internal Audit Head, in the discharge of his/her duties, shall be accountable to management and the Audit Committee to:

- Provide an annual assessment on the adequacy and effectiveness of the Company's processes for controlling its activities and managing its risks.
- Report significant issues related to the processes for controlling the activities of the Company including potential improvements to those processes, and provide information concerning such issues through audit reports/recommendations to management and to the Audit Committee.
- Periodically provide information on the status and results of the annual plan.
- Report the sufficiency of internal audit department resources.

INDEPENDENCE

Independence is essential for effective operation of the auditing function. It is the policy of the Company that all auditing activities shall remain free of influence by any of its organizational elements. To provide for the independence of the Internal Audit Department, its personnel will report to the Internal Audit Head, who reports functionally to the Audit Committee and administratively to the President and Chief Executive Officer.

RESPONSIBILITY

The Internal Audit Head and staff of the Internal Audit Department have the responsibility to:

- Develop a flexible annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the Audit Committee for review and approval.
- Implement the annual audit plan, as approved, including as appropriate any special tasks or projects requested by management and the Audit Committee.
- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this charter.
- Evaluate and assess significant new or changing processes, operations, and control processes coincident with the development, implementation, and/or expansion of the organizational departments of the Company.

- Issue periodic reports to the Audit Committee and management summarizing results of audit activities.
- Assist in the investigation of significant suspected fraudulent activities within the Company and notify management and the Audit Committee of the results.
- Keep the Audit Committee informed of emerging trends and successful practices in internal auditing.

AUTHORITY

The Internal Audit Head and staff of the Internal Audit Department are authorized to:

- Have unrestricted access to all functions, records, properties, and personnel necessary to the conduct of a comprehensive program of operational and financial audit.
- Have full and free access to the Audit Committee.
- Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives.
- Obtain the necessary assistance of personnel in other departments of the Company where they will perform audits, as well as other specialized services from within or outside the Company.

The Internal Audit Head and staff of the Internal Audit Department are not authorized to:

- Initiate or approve accounting transactions external to the Internal Audit Department.
- Direct the activities of any Company employee not employed by the Internal Audit Department, except to the extent such employees have been appropriately assigned to assist the internal auditors.

STANDARDS OF AUDIT PRACTICE

The Internal Audit Department will adhere to The Institute of Internal Auditors' mandatory guidance including the *Code of Ethics for Internal Auditors*, the *International Standards for the Professional Practice of Internal Auditing*, and the *Definition of Internal Auditing*.

REVIEW POLICY

The Internal Audit Head shall periodically review whether the mission, scope of work, responsibility and authority, as defined in this charter, continue to be adequate to enable the Internal Audit Department to accomplish its objectives. Any revisions thereto shall be presented to the Audit Committee for approval.

Revision 4

Endorsed by:

Geraldine B. Ateo-an
Internal Audit Head

Recommended by:

Eulalio B. Austin, Jr.
**President and Chief Executive
Officer**

Approved by:

Oscar J. Hilado
Audit Committee Chairman

Philex Mining Corporation
Revised Corporate Governance Committee Charter

I. Introduction

This Charter of the Corporate Governance Committee (the “Committee”) of **Philex Mining Corporation** (the “Company”) sets forth the Committee’s purposes, authority, duties and responsibilities, structure and procedures, which shall guide the Committee as prescribed by the Revised Manual on Corporate Governance (“RMCG”). The Committee shall conduct an annual review and assessment of this Charter, and recommend to the Company’s Board of Directors (the “Board”) revisions, as it may deem necessary and beneficial to the efficient performance of its functions.

II. Purposes, Authority, Duties and Responsibilities

1. Purpose

The primary purpose of the Committee is to assist the Board in performing the corporate governance duties as required under the CG Manual, Code of Corporate Governance of the Securities and Exchange Commission (SEC), and the Corporate Governance Guidelines and the listing rules of the Philippine Stock Exchange (PSE).

2. Authority

- 2.1 The Committee shall report directly to the Board on its decision or recommendation.
- 2.2 The Committee may require Management to provide it with such corporate records and other documents as may be necessary or appropriate for the Committee to discharge its functions effectively.
- 2.3 The Committee is authorized to obtain external legal and other independent professional firms with relevant experience and expertise, to assist and advise the Committee on matters it considers necessary. The Committee shall in consultation with the Board have authority to approve all reasonable related fees and terms of engagement of the external advisers/consultants, which fees shall be borne by the Company.

3. Duties and Responsibilities

The Committee is tasked with ensuring compliance with and proper observance of the corporate governance principles and practices. It has the following duties and functions, among others:

- a. Oversees the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the Company's size, complexity and business strategy, as well as its business and regulatory environments;
- b. Oversees the periodic performance evaluation of the Board and its committees as well as selected key officers of the Company (Chief Executive Officer; Chief Compliance Officer; Chief Risk Officer and Chief Audit Executive), and conducts an annual self-evaluation of its performance;
- c. Ensures that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
- d. Recommends continuing education/training programs for directors;
- e. Adopts corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;
- f. Proposes and plans relevant trainings for the members of the Board;

III. Composition

1. The Committee shall have a minimum of three (3) Members, each of whom, including the Chairman thereof shall be appointed by the Board.
2. The majority of the members of the Committee (the "Members") shall be independent non-executive directors of the Company.
3. The office of a Member shall *ipso facto* be vacated:
 - i. if he resigns as a Member of the Committee or of the Board;
 - ii. if he is removed by a resolution of the Board;
 - iii. if he is declared to be incompetent or of unsound mind; or
 - iv. if he is subsequently disqualified from becoming a Member.

A Member shall be disqualified from being part of the Committee during the remainder of his tenure if, upon determination by the Board or Nomination Committee, he ceases to meet the qualifications for directorship, or he becomes disqualified from directorship based on any grounds for disqualification set forth in the Company's RMCG.

4. The Board may, from time to time, vary the composition of the Committee as may be required by the Securities and Exchange Commission (SEC) or other codes, rules and regulations as may be prescribed by the applicable regulatory authority.
5. The Company's Corporate Secretary or his/her nominee shall be the Secretary of the Committee.

IV. Committee Procedures

1. Meetings

1.1 Frequency

The Committee shall meet at least once in a calendar year. In addition, the Committee's Chairman may convene additional meetings at his discretion, and at such other time as the Committee may consider appropriate and necessary to perform its responsibilities.

1.2 Notice

- a. Notice of any meetings of the Committee will be given at least five (5) days prior to any such meeting being held unless all Members unanimously waive such notice; provided however that the Chairman of the Committee, *motu proprio* or at the request of the Chairman of the Board or of the CEO, may call the meeting at shorter notice when the circumstances so require. Irrespective of the length of notice being given, attendance in a meeting by a Member shall be deemed a waiver of the notice requirement.
- b. Each Member shall give to the Secretary of the Committee a mailing address, an electronic mail address (e-mail) and a facsimile number for the service of notices of meetings of the Committee.
- c. Notice of a meeting of the Committee shall be deemed duly served upon a Member if it is given to him personally, or sent to him by mail, e-mail or facsimile transmission to his address or facsimile number on file with by the Secretary of the Committee.

1.3 Quorum

A majority of the members of the Committee shall constitute a quorum, provided that the majority must always include an independent, non-executive director.

If after the lapse of thirty (30) minutes from the scheduled time of the meeting, a quorum is not reached, the meeting shall be adjourned until such date, time and place as the Chairman may determine.

2. Attendance

- 2.1 The Committee may invite the Chairman of the Board, other Directors, external advisers and/or any other persons who have specific responsibility for, or

interest or expertise in, the subject under review to attend all or part of any meetings of the Committee.

2.2 Members may participate in a meeting through tele/ videoconferencing in accordance with the provisions of Securities and Exchange Commission Memorandum Circular No. 15 dated November 20, 2001.

2.3 Only Members are entitled to vote at Committee meetings.

2.4 In the absence of the Chairman and/or an appointed deputy, the remaining Members present shall elect one of the Members to chair the Committee meeting.

3. Escalation

The Committee shall timely refer to the Board its recommendations or decisions which require ratification or approval by the Board or as it may deem necessary or proper.

4. Resolutions

4.1 Every resolution of at least a majority of the Members present during the meeting at which a quorum is present shall be valid.

4.2 A resolution in writing signed by all Members shall be as valid and effective for all purposes as a resolution of the Committee passed at a meeting of the Committee duly convened, held and constituted. A written notification of confirmation of such resolution in writing sent by a Member shall be deemed to be his signature to such resolution in writing for such purpose. Such resolution in writing may be signed in counterparts.

5. Minutes and Records

5.1 The Secretary of the Committee shall keep full minutes of all Committee meetings. Draft minutes of meetings of the Committee shall be sent to all Members for their comments within a reasonable time after the meeting. Final version of the minutes, duly signed by the Chairman, shall be sent to all Members for their records.

5.2 The Secretary of the Committee shall keep the following records:
a. appointments and resignation of the Members;
b. all agenda and other documents sent to the Members;

- c. minutes of proceedings and meetings of the Committee; and,
- d. such other documents as may be necessary in the performance of the Committee's functions.

5.3 Any such records shall be open for inspection by any Member at reasonable hours on business days. Demands for inspection must be made in good faith and for a legitimate purpose. Any cost arising from the conduct of inspection shall be borne by the Member requesting for inspection.

5.4 Minutes of any meeting of the Committee, if purported to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be conclusive evidence of the proceedings and resolutions of such meeting.

V. Remuneration of Members

Except for the reasonable per diems approved by the Board for such purposes, no fees or other remuneration shall be payable to the Members in respect of their services under this Charter.

No fees or compensation shall be paid directly or indirectly to any Member or his firm for consultancy or advisory services rendered to the Company directly by the Member or indirectly through his firm. However, this prohibition shall not apply to ordinary compensation paid to a Member or his firm in respect of any business relationship or transaction determined to be at arm's length terms and could not materially interfere with or influence the exercise of his independent judgment.

VI. Amendment

This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.

PHILEX MINING CORPORATION
Compensation Committee Charter

I. Introduction

Philex Mining Corporation's (PMC or the "Company") Revised Charter of the Compensation Committee (the "Committee") sets forth its purpose, authority, duties and responsibilities, structure and procedures as prescribed by the Revised Manual on Corporate Governance ("RMCG"). The Committee shall conduct an annual review and assessment of this Charter, and recommend to the Company's Board of Directors (the "Board") revisions as it may deem necessary or beneficial to the Committee's functions.

II. Purpose, Authority, Duties and Responsibilities

1. Purpose

The primary purpose of the Committee is to establish a formal and transparent procedure for recommending the appropriate remuneration of directors consistent with Corporation Code and officers (Vice President and above, as per the Company's By-Laws) of the Company to ensure that their compensation is consistent with the Company's financial strategy, sound risk culture as well as the business environment in which it operates.

2. Authority

2.1 The Committee shall report directly to the Board and shall, where appropriate, consult the Board Chairman and/or Chief Executive Officer of the Company for any clarification on proposals relating to the remuneration of directors and officers.

2.2 The Committee is authorized to seek any information reasonably necessary to the performance of its duties.

2.3 The Committee is authorized to obtain independent external professionals with relevant experience and expertise, to render advice on matters it considers necessary. The Committee shall have the authority to approve all reasonable related fees and terms of engagement of these independent external professionals for the account of the Company.

3. Duties and Responsibilities

The duties of the Committee shall include the following aspects:–

- 3.1 To make recommendations to the Board on the Company's policy and structure for all directors' and officers' remuneration and on the establishment of formal and transparent procedures for developing remuneration policy;
- 3.2 To review and recommend, with delegated responsibility, the remuneration packages of directors and officers, keeping in mind the Board's corporate goals, objectives and strategies. This shall include, without limitation, basic salaries, deferred compensation, stock options and any benefits in kind, pension rights, incentive payments and any other compensation payments;
- 3.3 In determining the Company's remuneration policy and packages, the Committee shall consider factors such as salaries paid by companies in the same or similar industry, time commitment, responsibilities and employment conditions elsewhere within the group and in the market;
- 3.4 To ensure that no director is involved in determining his own remuneration, recommendations of the Committee increasing the remuneration of the Board, if eventually approved, shall not take effect until after the expiration of the term of the Board;
- 3.5 To administer and oversee the Company's share option policy, if any, in accordance with the terms and conditions of the share option policy, including the granting of options to the Company's directors and officers under the share option policy and the exercise of options by them thereunder (including, but not limited to, number of options, exercise price, option period, minimum period which must be held before the options can be exercised and performance targets which must be met before the options can be exercised), and/or to administer and oversee any other share incentive policy or other equity-based compensation in place from time to time;
- 3.6 To review and recommend compensation and/or related arrangements for directors and officers for any loss or termination of office or appointment, including that resulting from dismissal or removal of

directors for misconduct, in order to ensure that these arrangements are consistent with contractual terms and is otherwise fair, reasonable, appropriate and not excessive; and

- 3.7 To review from time to time, as may be appropriate, this Charter and to recommend to the Board any necessary changes required.

III. Composition

1. The Committee shall consist of at least three (3) members, each of whom, including the Chairman thereof, shall be appointed by the Board.
2. The Chairman must be an independent director.
3. The office of a Member shall *ipso facto* be vacated:
 - i. if he resigns as a Member of the Committee or of the Board;
 - ii. if he is removed by a resolution of the Board;
 - iii. if he is declared to be incompetent or of unsound mind; or
 - iv. if he is subsequently disqualified from becoming a Member.

A Member shall be disqualified from being part of the Committee during the remainder of his tenure if, upon determination by the Board or Nomination Committee, he ceases to meet the qualifications for directorship, or he becomes disqualified from directorship based on any grounds for disqualification set forth in the recently- issued RMCG.

4. The Board may, from time to time, vary the composition of the Committee as may be required by the Securities and Exchange Commission (SEC) or other codes, rules and regulations as may be prescribed by the applicable regulatory authority.
5. The Company's Corporate Secretary or his/her nominee shall be the Secretary of the Committee.

IV. Committee Procedures

1. Meetings

1.1 Frequency

The Committee shall meet at least twice in a calendar year. In addition, the Committee's Chairman may convene additional meetings at his discretion, and at such other time as the Committee may consider appropriate and necessary to perform its responsibilities.

1.2 Notice

- a. Notice of any meetings of the Committee will be given at least five (5) days prior to any such meeting being held unless all Members unanimously waive such notice; provided however that the Chairman of the Committee, motu proprio or at the request of the Chairman of the Board or of the CEO, may call the meeting at shorter notice when the circumstances so require. Irrespective of the length of notice being given, attendance in a meeting by a Member shall be deemed a waiver of the notice requirement.
- b. Each Member shall give to the Secretary of the Committee a mailing address, an electronic mail address (e-mail) and a facsimile number for the service of notices of meetings of the Committee.
- c. Notice of a meeting of the Committee shall be deemed duly served upon a Member if it is given to him personally, or sent to him by mail, e-mail or facsimile transmission to his address or facsimile number on file with by the Secretary of the Committee.

1.3 Quorum

A majority of the members of the Committee shall constitute a quorum, provided that the majority must always include an independent, non-executive director.

If after the lapse of thirty (30) minutes from the scheduled time of the meeting, a quorum is not reached, the meeting shall be adjourned until such date, time and place as the Chairman may determine.

2. Attendance

- 2.1 The Committee may invite the Chairman of the Board, other Directors, external advisers and/or any other persons who have specific responsibility for, or interest or expertise in, the subject under review to attend all or part of any meetings of the Committee.
- 2.2 Members may participate in a meeting through tele/videoconferencing in accordance with the provisions of Securities and Exchange Commission Memorandum Circular No. 15 dated November 20, 2001.
- 2.3 Only Members are entitled to vote at Committee meetings.
- 2.4 In the absence of the Chairman and/or an appointed deputy, the remaining Members present shall elect one of the Members to chair the Committee meeting.

3. Escalation

The Committee shall timely refer to the Board its recommendations or decisions which require ratification or approval by the Board or as it may deem necessary or proper.

4. Resolutions

- 4.1 Every resolution of at least a majority of the Members present during the meeting at which a quorum is present shall be valid.
- 4.2 A resolution in writing signed by all Members shall be as valid and effective for all purposes as a resolution of the Committee passed at a meeting of the Committee duly convened, held and constituted. A written notification of confirmation of such resolution in writing sent by a Member shall be deemed to be his signature to such resolution in writing for such purpose. Such resolution in writing may be signed in counterparts.

5. Minutes and Records

- 5.1 The Secretary of the Committee shall keep full minutes of all Committee meetings. Draft minutes of meetings of the Committee shall be sent to all Members for their comments within a reasonable time after the meeting.

Final version of the minutes, duly signed by the Chairman, shall be sent to all Members for their records.

- 5.2 The Secretary of the Committee shall keep the following records:
- a. appointments and resignation of the Members;
 - b. all agenda and other documents sent to the Members;
 - c. minutes of proceedings and meetings of the Committee; and,
 - d. such other documents as may be necessary in the performance of the Committee's functions.
- 5.3 Any such records shall be open for inspection by any Member at reasonable hours on business days. Demands for inspection must be made in good faith and for a legitimate purpose. Any cost arising from the conduct of inspection shall be borne by the Member requesting for inspection.
- 5.4 Minutes of any meeting of the Committee, if purported to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be conclusive evidence of the proceedings and resolutions of such meeting.

V. Remuneration of Members

Except for the reasonable per diems approved by the Board for such purposes, no fees or other remuneration shall be payable to the Members in respect of their services under this Charter.

No fees or compensation shall be paid directly or indirectly to any Member or his firm for consultancy or advisory services rendered to the Company directly by the Member or indirectly through his firm. However, this prohibition shall not apply to ordinary compensation paid to a Member or his firm in respect of any business relationship or transaction determined to be at arm's length terms and could not materially interfere with or influence the exercise of his independent judgment.

VI. Amendment

This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.

Philex Mining Corporation Finance Committee Charter

I. Introduction

Philex Mining Corporation's (PMC or the "Company") Finance Committee (the "Committee") Charter sets forth the Committee's purposes, authority, duties and responsibilities, structure and procedures as prescribed by the Revised Manual on Corporate Governance ("RMCG"). The Committee shall conduct an annual review and assessment of this Charter, and recommend to the Company's Board of Directors (the "Board") revisions as it may deem necessary or beneficial to the Committee's functions.

II. Purposes, Authority, Duties and Responsibilities

1. Purposes

The Committee has the primary oversight responsibility of the Company's corporate finance activities, including the management of its equity, financial risk (credit and concentration risks, liquidity, market, including foreign currency, interest rate, equity price, commodity risk, and derivative financial instruments, including gold embedded, fair value changes on derivative and hedge effectiveness) and the financing of major acquisitions.

2. Authority

- 2.1 The Committee shall report directly to the Board on its decision or recommendation.
- 2.2 The Committee may require Management to provide it with such corporate records and other documents as may be necessary or appropriate for the Committee to discharge its functions effectively.
- 2.3 The Committee is authorized to obtain external legal and other independent professional firms with relevant experience and expertise, to assist and advise the Committee on matters it considers necessary. The Committee shall in consultation with the Board have authority to approve all reasonable related fees and terms of engagement of the external advisers/consultants, which fees shall be borne by the Company.

3. Duties and Responsibilities

- 3.1 The Committee shall review and make appropriate recommendations to the Board regarding the financial operations of the Company, and funding strategies and hurdle rates for acquisitions of or investments in other companies, business or projects.

- 3.2 The Committee shall review financial risks such as credit and concentration risks, liquidity, market (foreign currency, interest rate, equity price and commodity price risk) and derivative financial instruments (gold and embedded derivatives).
- 3.3 The Committee shall review and recommend all major financing transactions of the Company.
- 3.4 The Committee shall review financial aspects of major contracts and variations, as well as any actual, potential, major exception or occurrence and makes recommendations to the Board.
- 3.5 The Committee shall review the capitalization of subsidiaries or associated companies, other than that which is subject of an existing general or specific Board or Committee approval, and shall make recommendations to the Board.

III. Composition

1. The Committee shall have a minimum of three (3) Members, one (1) of whom must be an independent non-executive director.
2. The Chairman of the Committee (the "Chairman") shall be appointed by the Board.
3. The office of a Member shall *ipso facto* be vacated:
 - a. if he resigns as a Member of the Committee or of the Board;
 - b. if he is removed by a resolution of the Board;
 - c. if he becomes incompetent or of an unsound mind; or
 - d. if he is subsequently disqualified from becoming a Member.

A Member shall be disqualified from continuing to be such during the remainder of his tenure if, upon determination by the Board or the Nomination Committee, he or she ceases to possess any of the qualifications for directorship, or becomes disqualified as a director based on any grounds for disqualification set forth in the PMC's recently-issued RMCG.

4. The Board may, from time to time, vary the composition of the Committee as may be required by the Securities and Exchange Commission (SEC) or other codes, rules and regulations as may be prescribed by the applicable regulatory authority.
5. The Company's Corporate Secretary or his/her nominee shall be the Secretary of the Committee.

IV. Committee Procedures

1. Meetings

1.1 Frequency

The Committee shall meet at least twice in a calendar year. In addition, the Committee's Chairman may convene additional meetings at his discretion, and at such other time as the Committee may consider appropriate and necessary to perform its responsibilities.

1.2 Notice

- a. Notice of any meetings of the Committee will be given at least five (5) days prior to any such meeting being held unless all Members unanimously waive such notice; provided however that the Chairman of the Committee, *motu proprio* or at the request of the Chairman of the Board or of the CEO, may call the meeting at shorter notice when the circumstances so require. Irrespective of the length of notice being given, attendance in a meeting by a Member shall be deemed a waiver of the notice requirement.
- b. Each Member shall give to the Secretary of the Committee a mailing address, an electronic mail address (e-mail) and a facsimile number for the service of notices of meetings of the Committee.
- c. Notice of a meeting of the Committee shall be deemed duly served upon a Member if it is given to him personally, or sent to him by mail, e-mail or facsimile transmission to his address or facsimile number on file with by the Secretary of the Committee.

1.3 Quorum

A majority of the members of the Committee shall constitute a quorum, provided that the majority must always include an independent, non-executive director.

If after the lapse of thirty (30) minutes from the scheduled time of the meeting, a quorum is not reached, the meeting shall be adjourned until such date, time and place as the Chairman may determine.

2. Attendance

- 2.1 The Committee may invite the Chairman of the Board, other Directors, external advisers and/or any other persons who have specific responsibility for, or

interest or expertise in, the subject under review to attend all or part of any meetings of the Committee.

2.2 Members may participate in a meeting through tele/ videoconferencing in accordance with the provisions of Securities and Exchange Commission Memorandum Circular No. 15 dated November 20, 2001.

2.3 Only Members are entitled to vote at Committee meetings.

2.4 In the absence of the Chairman and/or an appointed deputy, the remaining Members present shall elect one of the Members to chair the Committee meeting.

3. Escalation

The Committee shall timely refer to the Board its recommendations or decisions which require ratification or approval by the Board or as it may deem necessary or proper.

4. Resolutions

4.1 Every resolution of at least a majority of the Members present during the meeting at which a quorum is present shall be valid.

4.2 A resolution in writing signed by all Members shall be as valid and effective for all purposes as a resolution of the Committee passed at a meeting of the Committee duly convened, held and constituted. A written notification of confirmation of such resolution in writing sent by a Member shall be deemed to be his signature to such resolution in writing for such purpose. Such resolution in writing may be signed in counterparts.

5. Minutes and Records

5.1 The Secretary of the Committee shall keep full minutes of all Committee meetings. Draft minutes of meetings of the Committee shall be sent to all Members for their comments within a reasonable time after the meeting. Final version of the minutes, duly signed by the Chairman, shall be sent to all Members for their records.

5.2 The Secretary of the Committee shall keep the following records:
a. appointments and resignation of the Members;
b. all agenda and other documents sent to the Members;

- c. minutes of proceedings and meetings of the Committee; and,
- d. such other documents as may be necessary in the performance of the Committee's functions.

5.3 Any such records shall be open for inspection by any Member at reasonable hours on business days. Demands for inspection must be made in good faith and for a legitimate purpose. Any cost arising from the conduct of inspection shall be borne by the Member requesting for inspection.

5.4 Minutes of any meeting of the Committee, if purported to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be conclusive evidence of the proceedings and resolutions of such meeting.

V. Remuneration of Members

Except for the reasonable per diems approved by the Board for such purposes, no fees or other remuneration shall be payable to the Members in respect of their services under this Charter.

No fees or compensation shall be paid directly or indirectly to any Member or his firm for consultancy or advisory services rendered to the Company directly by the Member or indirectly through his firm. However, this prohibition shall not apply to ordinary compensation paid to a Member or his firm in respect of any business relationship or transaction determined to be at arm's length terms and could not materially interfere with or influence the exercise of his independent judgment.

VI. Amendment

This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.

Philex Mining Corporation Board Risk Oversight Committee Charter

I. Introduction

Philex Mining Corporation's (PMC or the "Company") Charter of the Board Risk Oversight Committee (BROC or the "Committee") sets forth the BROC's purposes, authority, duties and responsibilities, structure and procedures, which shall guide the Committee as prescribed by the Company's Revised Manual on Corporate Governance ("RMCG"). The Committee shall conduct an annual review and assessment of this Charter, and recommend to the Company's Board of Directors (the "Board") revisions, as it may deem necessary and beneficial to the efficient performance of its functions.

II. Purpose, Authority, Duties and Responsibilities

1. Purpose

The primary purpose of the Committee is to assist the Board in assessing and managing enterprise risks, including financial, regulatory, strategic and operational risks, and ensuring that there is an effective and integrated risk management process developed for the benefit of the Company and its shareholders. discharging other duties and powers as may be delegated to the Committee by the Board, subject to such limitations as the Board may determine.

2. Authority

- 2.1. The Committee shall report directly to the Board on its decision or recommendation.
- 2.2. The Committee may require Management to provide it with such corporate records and other documents as may be necessary or appropriate for the Committee to discharge its functions effectively.
- 2.3. The Committee is authorized to obtain external legal and other independent professional firms with relevant experience and expertise, to assist and advise the Committee on matters it considers necessary. The Committee shall in consultation with the Board have authority to approve all reasonable related fees and terms of engagement of the external advisers/consultants, which fees shall be borne by the Company.

3. Duties and Responsibilities

Enterprise risk management is integral to an effective corporate governance process and the achievement of a company's value creation objectives. Thus, the BROC has the responsibility to assist the Board in ensuring that there is an effective and integrated risk management process in place. With an integrated approach, the Board and top management will be in a confident position to make well-informed decisions, having

taken into consideration major risks related to significant business activities, plans and opportunities.

The BROC has the following duties and responsibilities, among others:

- a. Develop a formal enterprise risk management plan which contains the following elements:
 - i. register of risks,
 - ii. well-defined risk management goals, objectives and oversight,
 - iii. uniform processes of assessing risks and developing strategies to manage prioritized risks,
 - iv. designing and implementing risk management strategies, and,
 - v. continuing assessments to improve risk strategies, processes and measures;
- b. Oversee the implementation of the enterprise risk management plan through a Management Risk Oversight Committee (MROC). The BROC shall conduct regular discussions on the company's prioritized and residual risk exposures based on regular risk management reports and shall assess how the concerned units or offices are addressing and managing these risks;
- c. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The BROC shall revisit defined risk management strategies, look for emerging or changing material exposures, and stay abreast of significant developments in the industry that may seriously impact the likelihood of harm or loss;
- d. Advise the Board on its risk appetite levels and risk tolerance limits;
- e. Review at least semi-annually the Company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impact on the Company's operations;
- f. Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the Company and its stakeholders;
- g. Provide oversight over Management's activities in managing financial, regulatory, strategic, operations risks and other risk exposures of the corporation. This function includes regularly receiving information on risk exposures and risk management activities from Management; and,
- h. Report to the Board on a regular basis, or as deemed necessary, the Company's material risk exposures, the actions taken to reduce the risks, and recommend further action or plans, as necessary.

III. Composition

1. The Committee shall consist of at least three (3) members, majority of whom should be independent directors.
2. The Chairman of the Committee (the "Chairman") shall be an Independent Director.
3. The office of a Member shall *ipso facto* be vacated:
 - i. if he resigns as a Member of the Committee or of the Board;
 - ii. if he is removed by a resolution of the Board;
 - iii. if he is declared to be incompetent or of unsound mind; or
 - iv. if he is subsequently disqualified from becoming a Member.

A Member shall be disqualified from being part of the Committee during the remainder of his tenure if, upon determination by the Board or Nomination Committee, he ceases to meet the qualifications for directorship, or he becomes disqualified from directorship based on any grounds for disqualification set forth in the recently-issued RMCG.

4. The Board may, from time to time, vary the composition of the Committee as may be required by the Securities and Exchange Commission (SEC) or other codes, rules and regulations as may be prescribed by the applicable regulatory authority.
5. The Company's Corporate Secretary or his/her nominee shall be the Secretary of the Committee.

IV. Committee Procedures

1. Meetings

1.1 Frequency

The Committee shall meet at least twice in a calendar year. In addition, the Committee's Chairman may convene additional meetings at his discretion, and at such other time as the Committee may consider appropriate and necessary to perform its responsibilities.

1.2 Notice

- a. Notice of any meetings of the Committee will be given at least five (5) days prior to any such meeting being held unless all Members unanimously waive such notice; provided however that the Chairman of the Committee, *motu proprio* or at the request of the Chairman of the Board or of the CEO, may

call the meeting at shorter notice when the circumstances so require. Irrespective of the length of notice being given, attendance in a meeting by a Member shall be deemed a waiver of the notice requirement.

- b. Each Member shall give to the Secretary of the Committee a mailing address, an electronic mail address (e-mail) and a facsimile number for the service of notices of meetings of the Committee.
- c. Notice of a meeting of the Committee shall be deemed duly served upon a Member if it is given to him personally, or sent to him by mail, e-mail or facsimile transmission to his address or facsimile number on file with by the Secretary of the Committee.

1.3 Quorum

A majority of the members of the Committee shall constitute a quorum, provided that the majority must always include an independent, non-executive director.

If after the lapse of thirty (30) minutes from the scheduled time of the meeting, a quorum is not reached, the meeting shall be adjourned until such date, time and place as the Chairman may determine.

2. Attendance

2.1 The Committee may invite the Chairman of the Board, other Directors, external advisers and/or any other persons who have specific responsibility for, or interest or expertise in, the subject under review to attend all or part of any meetings of the Committee.

2.2 Members may participate in a meeting through tele/ videoconferencing in accordance with the provisions of Securities and Exchange Commission Memorandum Circular No. 15 dated November 20, 2001.

2.3 Only Members are entitled to vote at Committee meetings.

2.4 In the absence of the Chairman and/or an appointed deputy, the remaining Members present shall elect one of the Members to chair the Committee meeting.

3. Escalation

The Committee shall timely refer to the Board its recommendations or decisions which require ratification or approval by the Board or as it may deem necessary or proper.

4. Resolutions

4.1 Every resolution of at least a majority of the Members present during the meeting at which a quorum is present shall be valid.

4.2 A resolution in writing signed by all Members shall be as valid and effective for all purposes as a resolution of the Committee passed at a meeting of the Committee duly convened, held and constituted. A written notification of confirmation of such resolution in writing sent by a Member shall be deemed to be his signature to such resolution in writing for such purpose. Such resolution in writing may be signed in counterparts.

5. Minutes and Records

5.1 The Secretary of the Committee shall keep full minutes of all Committee meetings. Draft minutes of meetings of the Committee shall be sent to all Members for their comments within a reasonable time after the meeting. Final version of the minutes, duly signed by the Chairman, shall be sent to all Members for their records.

5.2 The Secretary of the Committee shall keep the following records:

- a. appointments and resignation of the Members;
- b. all agenda and other documents sent to the Members;
- c. minutes of proceedings and meetings of the Committee; and,
- d. such other documents as may be necessary in the performance of the Committee's functions.

5.3 Any such records shall be open for inspection by any Member at reasonable hours on business days. Demands for inspection must be made in good faith and for a legitimate purpose. Any cost arising from the conduct of inspection shall be borne by the Member requesting for inspection.

5.4 Minutes of any meeting of the Committee, if purported to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be conclusive evidence of the proceedings and resolutions of such meeting.

V. Remuneration of Members

Except for the reasonable per diems approved by the Board for such purposes, no fees or other remuneration shall be payable to the Members in respect of their services under this Charter.

No fees or compensation shall be paid directly or indirectly to any Member or his firm for consultancy or advisory services rendered to the Company directly by the Member or indirectly through his firm. However, this prohibition shall not apply to ordinary compensation paid to a Member or his firm in respect of any business relationship or transaction determined to be at arm's length terms and could not materially interfere with or influence the exercise of his independent judgment.

VI. Amendment

This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.

Philex Mining Corporation Related Party Transaction Committee Charter

I. Introduction

Philex Mining Corporation's (PMC or the "Company") Related Party Transaction (RPT) Committee (the "Committee") sets forth the Committee's purposes, authority, duties and responsibilities, structure and procedures which shall guide the Committee as prescribed by the Company's Revised Manual on Corporate Governance (the "RMCG"). The Committee shall conduct an annual review and assessment of this Charter, and recommend to the Company's Board of Directors (the "Board") revisions as it may deem necessary or beneficial to the efficient performance of its functions.

II. Purposes, Authority, Duties and Responsibilities

1. Purposes

The primary purpose of the Committee is to assist the Board in reviewing all material related party transactions of the Company.

2. Authority

- 2.1 The Committee shall report directly to the Board on its decision or recommendation.
- 2.2 The Committee may require Management to provide it with such corporate records and other documents as may be necessary or appropriate for the Committee to discharge its functions effectively.
- 2.3 The Committee is authorized to obtain external legal and other independent professional firms with relevant experience and expertise, to assist and advise the Committee on matters it considers necessary. The Committee shall in consultation with the Board have authority to approve all reasonable related fees and terms of engagement of the external advisers/consultants, which fees shall be borne by the Company.

3. Duties and Responsibilities

The following are the functions of the RPT Committee, among others:

- 3.1. Evaluate, on a continuing basis, existing relationships between and among businesses and counterparties to ensure that all related parties are regularly identified, RPTs, as defined under the RPT Policy, are monitored, and subsequent changes in relationships with counterparties (from non-related to

related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board;

- 3.2. Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with these transactions. In evaluating RPTs, the Committee shall take into account, among others, the following:
 - a. The related party's relationship to the Company and interest in the transaction;
 - b. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 - c. The benefits to the Company of the proposed RPT;
 - d. The availability of other sources of comparable products or services; and
 - e. An assessment of whether the proposed RPT is subject to terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Company should exercise due diligence in determining a fair price for RPTs;
- 3.3. Report to the Board of Directors on a regular basis, the status and aggregate exposure to each related party, as well as the total amount of exposure to all related parties;
- 3.4. Ensure that transactions with related parties, including write-off of exposure, are subject to an annual independent review; and
- 3.5. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

4. Guidelines:

In the review and approval of RPT, the Committee shall at all times abide by the following standards:

- 4.1. That the RPT is "fair and at arm's length" as defined under the Company's RPT Policy; and
- 4.2. That the RPT is in the best interest of the Company and its stockholders, based on relevant circumstances which include as follows:
 - a. Basic terms of the transaction and the related party's interest in the transaction;
 - b. Purpose and timing of the transaction;
 - c. Nature of the Company's participation in the transaction;
 - d. Cost basis and other relevant information if involving sale of assets;

- e. Information on potential counterparties in the transaction including market price for similar products and services;
- f. Description of any provisions or limitations that may be imposed as a result of the transaction; and,
- g. Any potential reputational risk issues that may arise as a result of or in connection with the transaction.

DEFINITION

Definition of Related Party (based on International Financial Reporting Standards):

A related party is defined as any entity that falls under any of the following situations:

- Associate. The party is an associate of Philex Mining Corporation
- Common control. The party is, directly or indirectly, either under common control with Philex Mining Corporation entity or has significant or joint control over Philex Mining Corporation.
- Family member. The party is a close family member of a person who is part of key management personnel or who controls Philex Mining Corporation. A close family member is an individual's domestic partner and children, children of the domestic partner, and dependents of the individual or the individual's domestic partner.
- Individual control. The party is controlled or significantly influenced by a member of key management personnel or by a person who controls Philex Mining Corporation.
- Joint venture. The party is a joint venture in which Philex Mining Corporation is a venture partner.
- Key management. The party is a member of an Philex Mining Corporation's or its parent's key management personnel.
- Post-employment plan. The party is a post-employment benefit plan for the Philex Mining Corporation 's employees.

For purposes of this Charter, a Material and/or Significant RPT is defined as a transaction with a Related Party that involves an aggregate amount or value equal to or greater than Fifty Million Pesos (P50Million) over one calendar year ("Material and/or Significant RPT).

III. Composition

1. The Committee shall have a minimum of three (3) Members, each of whom, including the Chairman thereof shall be appointed by the Board.
2. The majority of the members of the Committee (the "Members") shall be independent directors of the Company.
3. The Chairman of the Committee shall be an Independent Director.
4. The office of a Member shall *ipso facto* be vacated:
 - i. if he resigns as a Member of the Committee or of the Board;
 - ii. if he is removed by a resolution of the Board;
 - iii. if he is declared to be incompetent or of unsound mind; or
 - iv. if he is subsequently disqualified from becoming a Member.

A Member shall be disqualified from being part of the Committee during the remainder of his tenure if, upon determination by the Board or Nomination Committee, he ceases to meet the qualifications for directorship, or he becomes disqualified from directorship based on any grounds for disqualification set forth in the Company's RMCG.

5. The Board may, from time to time, vary the composition of the Committee as may be required by the Securities and Exchange Commission (SEC) or other codes, rules and regulations as may be prescribed by the applicable regulatory authority.
6. The Company's Corporate Secretary or his/her nominee shall be the Secretary of the Committee.

IV. Committee Procedures

1. Meetings

1.1 Frequency

The Committee shall meet at least once in a calendar year. In addition, the Committee's Chairman may convene additional meetings at his discretion, and at such other time as the Committee may consider appropriate and necessary to perform its responsibilities.

1.2 Notice

- a. Notice of any meetings of the Committee will be given at least five (5) days prior to any such meeting being held unless all Members unanimously waive such notice; provided however that the Chairman of the Committee, *motu proprio* or at the request of the Chairman of the Board or of the CEO, may

call the meeting at shorter notice when the circumstances so require. Irrespective of the length of notice being given, attendance in a meeting by a Member shall be deemed a waiver of the notice requirement.

- b. Each Member shall give to the Secretary of the Committee a mailing address, an electronic mail address (e-mail) and a facsimile number for the service of notices of meetings of the Committee.
- c. Notice of a meeting of the Committee shall be deemed duly served upon a Member if it is given to him personally, or sent to him by mail, e-mail or facsimile transmission to his address or facsimile number on file with by the Secretary of the Committee.

1.3 Quorum

A majority of the members of the Committee shall constitute a quorum, provided that the majority must always include an independent, non-executive director.

If after the lapse of thirty (30) minutes from the scheduled time of the meeting, a quorum is not reached, the meeting shall be adjourned until such date, time and place as the Chairman may determine.

2. Attendance

2.1 The Committee may invite the Chairman of the Board, other Directors, external advisers and/or any other persons who have specific responsibility for, or interest or expertise in, the subject under review to attend all or part of any meetings of the Committee.

2.2 Members may participate in a meeting through tele/ videoconferencing in accordance with the provisions of Securities and Exchange Commission Memorandum Circular No. 15 dated November 20, 2001.

2.3 Only Members are entitled to vote at Committee meetings.

2.4 In the absence of the Chairman and/or an appointed deputy, the remaining Members present shall elect one of the Members to chair the Committee meeting.

3. Escalation

The Committee shall timely refer to the Board its recommendations or decisions which require ratification or approval by the Board or as it may deem necessary or proper.

4. Resolutions

4.1 Every resolution of at least a majority of the Members present during the meeting at which a quorum is present shall be valid.

4.2 A resolution in writing signed by all Members shall be as valid and effective for all purposes as a resolution of the Committee passed at a meeting of the Committee duly convened, held and constituted. A written notification of confirmation of such resolution in writing sent by a Member shall be deemed to be his signature to such resolution in writing for such purpose. Such resolution in writing may be signed in counterparts.

5. Minutes and Records

5.1 The Secretary of the Committee shall keep full minutes of all Committee meetings. Draft minutes of meetings of the Committee shall be sent to all Members for their comments within a reasonable time after the meeting. Final version of the minutes, duly signed by the Chairman, shall be sent to all Members for their records.

5.2 The Secretary of the Committee shall keep the following records:

- a. appointments and resignation of the Members;
- b. all agenda and other documents sent to the Members;
- c. minutes of proceedings and meetings of the Committee; and,
- d. such other documents as may be necessary in the performance of the Committee's functions.

5.3 Any such records shall be open for inspection by any Member at reasonable hours on business days. Demands for inspection must be made in good faith and for a legitimate purpose. Any cost arising from the conduct of inspection shall be borne by the Member requesting for inspection.

5.4 Minutes of any meeting of the Committee, if purported to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be conclusive evidence of the proceedings and resolutions of such meeting.

V. Remuneration of Members

Except for the reasonable per diems approved by the Board for such purposes, no fees or other remuneration shall be payable to the Members in respect of their services under this Charter.

No fees or compensation shall be paid directly or indirectly to any Member or his firm for consultancy or advisory services rendered to the Company directly by the Member or indirectly through his firm. However, this prohibition shall not apply to ordinary compensation paid to a Member or his firm in respect of any business relationship or transaction determined to be at arm's length terms and could not materially interfere with or influence the exercise of his independent judgment.

VI. Amendment

This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.

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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.

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- 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.

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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.

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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.

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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

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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.

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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

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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.



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- 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.

<i>Prepared By:</i>	<i>Reviewed & Endorsed By:</i>	<i>Approved By:</i>
(Original Signed) Jeffrey R. Balmores Manager/CG Date: _____	(Original Signed) Danny Y. Yu CG Compliance Officer Date: _____	(Original Signed) Eulalio B. Austin, Jr. President & CEO Date: _____

**APPROVED BY THE BOARD OF DIRECTORS
ON FEBRUARY 26, 2014**

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POLICY STATEMENT

In order to provide guidelines and implement the Conflict of Interest and Corporate Opportunities provisions under the Code of Business Conduct and Ethics of Philex Mining Corporation (“PMC” or the “Company”), this Conflict of Interest Policy is hereby issued.

1. RATIONALE

PMC, as a natural resource company in the Philippines imbued with public interest, has a duty to its stakeholders (i.e. stockholders and investors, directors, officers, and employees, customers and business partners; the public it serves; host communities and the government and regulators) to ensure that the principles of **integrity, teamwork, work excellence, corporate responsibility, respect for individual, social and environment responsibility** are upheld in all transactions and official transactions of PMC. In this regard, we must make sure that all work-related decisions, actions or inactions of PMC directors, officers, employees and consultants are above-board and based on sound business principles and judgment and devoid of bias or partiality.

2. GENERAL STATEMENT OF THE POLICY

As a policy, transactions which are or may have the potential of being deemed as Conflict of Interest transactions are prohibited. All business decisions of the Directors, Employees and Consultants must be based on the best interest of PMC and its subsidiaries and affiliates and must not be motivated by personal considerations and other relationships that can interfere with their independent judgment.

3. APPLICABILITY

- (a) This policy shall apply to, and be implemented by, all members of the Board of Directors (each, a “Director” and collectively, the “Directors”),

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officers, executives, and employees (each, an “Employee” and collectively, the “Employees”) and Consultants of PMC.

For purposes of this Policy, this applies to Consultants only with respect to business transactions not covered by the scope of their professional engagement that are made or entered into with PMC and/or PMC directly or indirectly through corporations or firms they or their Affiliates represent or where they or their Affiliates own more than ten percent (10%) of the subscribed capital or equity of such corporations or firms, or partnerships where they or their Affiliates are general partners.

Directors, Employees and Consultants may become involved in situations where their private interests or those of their Affiliates may conflict with the interest of PMC and/or PMC Group of Companies (the “Group”). It is the obligation of each Director, Employee and Consultant to avoid any actual or apparent Conflict of Interest between PMC and/or the Group and the Director/Employee/Consultant and/or his Affiliate. At all times, Directors, Employees and Consultants must be loyal to PMC and the Group.

For purposes of this Policy, the PMC Group of Companies refers to PMC and its Subsidiaries or any individual member company of the Group. This policy sets standards to govern conduct in such situations.

- (b) It is the intention of the PMC Board that a similar policy shall be adopted and implemented by each PMC Subsidiary and their respective subsidiaries, and the respective Presidents of these companies shall recommend the adoption of this policy (or a similar one) to their respective Boards of Directors.

4. DEFINITIONS

For purposes of this policy,

- (a) Affiliate – any person, entity, organization, business or venture with whom/which a Director, Employee or Consultant has an affiliation,

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personal relationship or financial involvement. These include, among others:

- i. Relatives (as hereunder defined).
- ii. Associates (as hereunder defined).
- iii. Corporations or firms where a Director/Employee/Consultant and/or his Relative holds a position as director, officer or executive of such corporations or firms.
- iv. Corporations or firms where a Director/Employee/Consultant and/or his Relative either singly or collectively, holds/owns more than ten percent (10%) of the subscribed capital or equity of such corporations or firms.
- v. Corporations or firms wholly or majority owned or controlled by the corporation or firm where a Director/Employee/Consultant and/or his Relative, either singly or collectively, holds/owns more than ten percent (10%) of the subscribed capital or equity of such corporations or firms.
- vi. Partnerships of which a Director/Employee/Consultant or his Affiliate is a general partner.
- vii. A co-ownership in which a Director/Employee/Consultant or his Affiliate is one of the co-owners of a property sold, assigned or leased to PMC or any company within the Group, except where the sale, assignment and/or lease covers only the other co-owner's (who is not the Director/Employee/Consultant or his Affiliate) undivided interest in the property.

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- (b) Associates – third parties with existing or previous close personal or business affiliation or relationship with a Director, Employee or Consultant in view of which a Director, Employee or Consultant’s decisions or actions in the best interest of PMC and/or the Group is unduly affected or compromised.
- (c) Conflict of Interest – occurs when the private interest of a Director, Employee, Consultant and/or his Affiliate interferes or appears to interfere in any way with the interest of PMC and/or Group. It can arise when a Director, Employee or Consultant has interests that may make it difficult to perform his or her work objectively and effectively regardless of whether he or his Affiliate receives or will receive Personal Benefit (as hereinafter defined). Conflict of Interest can also arise when a Director, Employee, Consultant and/or his Affiliate receives or will receive improper Personal Benefit from a transaction with PMC and/or the Group as a result of the Director, Employee or Consultant’s position in PMC and/or any within the Group.
- (d) Consultants – includes professional consultants, firms, partnerships, counsels, or such other professional entities or individuals rendering professional or specialized expert services to PMC and/or any company within the Group, as well as advisors of the Company who may be appointed by the Board of Directors or the President/CEO, or who act as representatives of the Company’s investors, shareholders, affiliates or partners.
- (e) Employee – any individual hired by PMC for salaries and/or benefits provided in regular amounts at stated intervals in exchange for services rendered personally for the Company’s business on a regular basis and who does not provide such services as part of an independent business. This includes PMC’s officers, managers, supervisors, staff or non-supervisors and, only for purposes of these guidelines, Subsidiaries’ employees who also work for/serve PMC (e.g. on a seconded basis).

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- (f) Personal Benefit – refers to gain or advantage, whether material or non-material, directly or indirectly provided to or received by a Director, Employee, Consultant and/or his Affiliate, such as financial gain, professional advancement, travel, facilities and/or accommodation, benefits, entertainment, preferential treatment in personal transactions, and other similar advantages.
- (g) Relatives – relative of up to the third degree, by consanguinity, affinity or legal adoption, including spouse, parents, children (and their spouses) siblings, (and their spouses), nieces and nephews (limited to children of brothers or sisters) [and their spouses], grandparents, and aunts and uncles (limited to sisters or brothers of parents); and a domestic partner and his relatives of up to third degree, by consanguinity, affinity or legal adoption.

5. AREAS IN WHICH CONFLICTS OF INTEREST MAY ARISE

The areas enumerated are descriptive only and not exhaustive and/or exclusive. Other areas not described herein shall be evaluated on a case to case basis within the standards and parameters set forth in this Policy. Examples of violations of the policy in each area are found in Annex “A” hereof.

(a) *Dealings with and as Suppliers, Contractors, Business Partners, Consultants, and Third Parties*

Directors, Employees and Consultants are enjoined from giving undue preferential treatment to any individual or entity with whom PMC and/or any company within the Group does business. Further, Directors, Employees and Consultants shall avoid circumstances that could, or could be reasonably expected to, impair their objectivity in the performance of their duties and obligations to PMC and/or any company within the Group. In this regard, Directors, Employees and Consultants are proscribed from participating in any part of the transactions, dealings

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or decision-making process with respect to any existing or potential supplier, contractor, business partner, or consultant of the Company in which they or their Affiliate have an interest, including any acts that may be deemed as seeking to influence any action or inaction with respect to such parties.

Authorized Employees shall select and deal with suppliers, contractors, business partners, consultants, and third parties doing or seeking to do business with PMC and/or any company within the Group in an impartial manner. In this connection, authorized Employees shall award and maintain contracts or transactions on arm's length commercial terms, based only on the best interest of PMC and/or the relevant company within the Group and under strict rules of fairness and confidentiality. The foregoing standards shall also be observed with respect to contracts and transactions between companies within the Group.

(b) Dealings with Directors, Employees, Consultants and Prospective Employees or Consultants

Conflict of Interest can arise in a wide range of human resources matters, such as recruitment and selection, promotion, disciplinary procedures, staff development, performance review, benefits, and remuneration. In this area, Directors, Employees and Consultants shall ensure that they treat each other, as well as prospective employees/consultants, with respect, fairness, impartiality, and equal opportunity, including respect for varying views and individual ideas, regardless of rank, seniority or relationship. Directors, Employees and Consultants shall avoid any action or inaction that gives undue preferential treatment or discriminates against any Director/Employee/Consultant or prospective employee/consultant. In this regard, Directors, Employees and Consultants are proscribed from taking part in any decision making process on human resources matters with respect to their Affiliates, including any action that may be deemed as seeking to influence any official action with respect to such Affiliates.

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(c) Directorships, Executive Positions and Employment in Other Companies or Organizations

Directors, Employees and Consultants shall avoid accepting positions or employment, or carrying out work outside of PMC or the Group where a Conflict of Interest or loyalty may arise and which may significantly affect the Director, Employee and Consultant's efficiency in the performance of his duties and obligations to PMC and/or any company within the Group, or otherwise adversely affect his work for PMC and/or any company within the Group. For Employees and Consultants, the Human Resources Department ("HRD") shall prescribe the requirements and/or guidelines for permissible outside positions, employment or work. For Directors, the requirements and conditions in this policy shall be in addition to those contained in PMC's By-Laws, Manual on Corporate Governance, and other applicable laws, rules and regulations.

(d) Use of Property, Services and Other Resources

Directors, Employees and Consultants are expected to use the property, services or other resources of PMC and/or the Group responsibly, efficiently, with care and only for purposes authorized or allowed under the policies or guidelines, with care and only for purposes authorized or allowed under the policies or guidelines issued by PMC or any company within the Group, as the case may be. Accordingly, Directors, Employees and Consultants are reminded to avoid the more than inconsequential use of the property, services or other resources of PMC or any company within the Group for their Personal Benefit or in a manner not solely for the benefit of PMC or the Group, unless the applicable policy or guidelines expressly allow personal use of such property, services or other resources (e.g. Company-issued executive cars, cellular phones, landlines, club rights, etc.). The HRD shall be responsible for releasing implementing guidelines with respect to the responsible use of Company-issued properties and/or rights. Further, Directors, Employees and Consultants shall refrain from taking advantage of the property, information of, or their positions in PMC or any company within the

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Group, or opportunities arising from these, for their Personal Benefit or to act against the best interest of PMC or the Group.

(e) *Prohibited Conflict of Interest Situations*

- (e.1) No Director or officer shall, in breach of his fiduciary duty to the Company, acquire or attempt to acquire directly or indirectly through an Affiliate any business opportunity in the line of the Company's business, in which the Company has an interest or a reasonable expectancy and which the Company is financially able to undertake, where the personal interest of the Director or officer will be in conflict with the interest of the Company.
- (e.2) The Company shall not, directly or indirectly, including through any Subsidiary or affiliate, grant or arrange for any credit (or extensions thereof) in the form of personal loans to any Director or officer, unless allowed by applicable laws and regulations.

6. WHAT NEEDS TO BE DONE

Primarily, Directors, Employees and Consultants must **disclose in writing** any actual or potential instances and/or situations where they may have a Conflict of Interest or the appearance of a Conflict of Interest to the relevant authorities specified herein, as soon as they become aware of such actual or potential instances and/or situations. Depending on the nature of the conflict situation, conflicted Directors, Employees and Consultants may be required to comply with other requirements.

- (a) *In situations falling under Item No. 5(a) above*, and where the Conflict of Interest business transaction cannot be avoided or where a particular business transaction has the potential of being categorized as a Conflict of Interest business transaction or official action, the Director, Employee or Consultant concerned shall make a full written disclosure of such

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transaction and his or his Affiliate's private interest in the transaction or official action, as follows:

- a.1. For Directors
To: The Board of Directors through its Chairman
Cc: The Corporate Governance Office ("CGO") through the Compliance Officer
- a.2. For Group Heads
To: The President and CEO
Cc: The CGO through the Compliance Officer
- a.3. For Staff/Non-Supervisory Employees, Supervisory Employees, Managers and Department Heads
To: The Group Head (or if the business unit of the conflicted Employee is not part of a Group, the highest ranking officer of the highest department to which the conflicted Employee belongs)
Cc: The CGO through the Compliance Officer
- a.4. For Consultants
To: The Group Head (or if the business unit of the conflicted Consultant is not part of a Group, the highest ranking officer of the highest department to which the conflicted Consultant belongs) of the business unit for which the Consultant renders professional service
Cc: The CGO through the Compliance Officer

The Director, Employee or Consultant concerned shall likewise inhibit himself from any direct or indirect participation or involvement at any stage of the transactional process flow and cannot sign any paper or document related to the transaction.

In addition to the requirements of Sections 31 to 33 of the Corporation Code (where applicable), business transactions involving a conflicted Director shall be subject to the approval of the Board; while those involving a conflicted officer shall be subject to the approval of the

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President and CEO; and those involving a Consultant and other Employees shall be subject to the approval of the Management Committee; *Provided*, however, that in any transaction involving a conflicted Employee (including an officer) or Consultant where the amount of such transaction exceeds the level of approving authority of the President and CEO or Management Committee, as the case may be, the approval of such transaction shall be made by the relevant authority or authorities having the power to approve such transaction based on the Board-approved approval matrix in effect at the relevant time; *Provided*, further, that in all cases, the actual evaluation of the commercial and technical aspects of the transaction, including recommendation to award, shall be made and conducted by the appropriate management bodies or business units in accordance with the established procedures of the Company. Accordingly, the supporting documents, such as disclosures, reports and recommendations shall be provided to the said relevant authorities who are authorized to approve the transaction involving the conflicted Director, Employee or Consultant

(b) *In situations falling under Item No. 5(b) above*, and where the official action constituting a Conflict of Interest situation cannot be avoided or where a particular official action has the potential of being categorized as a Conflict of Interest official action, the Director, Employee or Consultant concerned shall make a full written disclosure of such official action and his or his Affiliate's private interest in the official action, as follows:

- b.1. For Directors
To: The Board of Directors through its Chairman
Cc: The CGO through the Compliance Officer

- b.2. For Group Heads
To: The President and CEO
Cc: The CGO through the Compliance Officer

- b.3. For Staff/Non-Supervisory Employees, Supervisory Employees, Managers and Department Heads

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To: The Group Head (or if the business unit of the conflicted Employee is not part of a Group, the highest ranking officer of the highest department to which the conflicted Employee belongs)
Cc: The Corporate Governance Office (“CGO”) through the Compliance Officer

The Director, Employee or Consultant concerned shall likewise inhibit himself from any direct or indirect participation or involvement at any stage of the official action process flow and cannot sign any paper or document related to the official action.

Official actions involving a conflicted Director of the HRD Head shall be subject to the approval of the CGO. For official actions involving a conflicted Employee or Consultant, the approval of the HRD Head shall be required.

(c) *In situations falling under Item No. 5(c) above* – Directors, Employees and Consultants shall fully disclose in writing all their existing, intended or prospective employments, involvements, positions, and Affiliates that may present a possible Conflict of Interest or the appearance of a conflict as follows:

- c.1. For Directors
To: The Board of Directors
Cc: The CGO through the Compliance Officer

- c.2. For Group Head and Consultants
To: The President and CEO
Cc: The CGO through the Compliance Officer

- c.3. For Staff/Non-Supervisory Employees, Supervisory Employees, Managers and Heads

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To: The Group Head (or if the business unit of the conflicted Employee is not part of a Group, the highest ranking officer of the highest department to which the conflicted Employee belongs.
Cc: The CGO through the Compliance Officer

Employees and Consultants who intend to accept positions, employment or work outside of PMC or the Group of the nature referred to in Item 5(c) must secure prior approval thereof from the relevant authorities referred to above.

(d) In situations falling under Item No. 5(d), Directors, Employees and Consultants who intend to use property, services and other resources of PMC and/or any company within the Group beyond the scope expressly allowed under applicable Company policy or guidelines must make a disclosure to and obtain the prior approval of the relevant authorities specified below:

- d.1. For Directors
To: The Board of Directors through the Chairman
Cc: The CGO through the Compliance Officer

- d.2. For Group Heads and Consultants
To: The President and CEO
Cc: The CGO through the Compliance Officer

- d.3. For Staff/Non-Supervisory Employees, Supervisory Employees, Managers and Department Heads
To: The Group Head (or if the business unit of the conflicted Employee is not part of a Group, the highest ranking officer of the highest department to which the conflicted Employee belongs)
Cc: The CGO through the Compliance Officer

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Any personal use of Company-issued property/rights permitted under the applicable Company policy or guidelines as referred to him in Item No. 5(d) shall be in accordance with conditions set out in the implementing guidelines to be issued by the HRD.

(e) For situations falling under Item No. 5(e) above

Any waiver of the prohibition specified under Item No. 5(e) shall be subject to Board approval and the transaction entered into by the Director or officer shall be subject to ratification by stockholders owning or representing at least two-thirds (2/3) of the Company's outstanding shares with voting rights.

(f) Role of the CGO

Original signed duplicates of all disclosures submitted pursuant to this policy and notices of each approval or disapproval by the relevant authorities referred to above of the transactions or action so disclosed and submitted for approval shall be furnished to the CGO. Approvals or disapprovals shall be in writing and in accordance with this policy and any applicable implementing guidelines. Further, the CGO, upon the request of the relevant approving authorities, may recommend appropriate actions or interpret provisions of this policy to specific apparent or potential conflict situations.

For a summary of the disclosure and other requirements for each area in which a Conflict of Interest may arise, please see Annex "B".

7. CONSEQUENCES OF VIOLATIONS

Any Director, Employee or Consultant found to have violated this policy shall, in addition to any penalties that may be provided under the Company Code of Discipline or equivalent code, applicable laws and regulations, be liable to the extent of the

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damage/loss suffered by PMC or the relevant company in the Group, and may be subject to penalties and sanctions as may be determined by the appropriate corporate authorities, whether or not damage/loss is actually suffered by PMC or the relevant company in the Group.

8. EFFECTIVITY

This policy shall take effect immediately.

All existing policies, guidelines, regulations, systems, practices and related implementing guidelines concerning the same matters covered herein are deemed superseded by this policy. In the event of any inconsistency between the policy contained herein and the terms of other existing policies, guidelines, systems practices and related implementing guidelines, this policy shall prevail. This policy and the Code of Business Conduct and Ethics have supplemental application to each other.

The HRD shall develop implementing guidelines to ensure that Employees and Consultants are required to periodically disclose their Affiliate and other relationships that may affect the effective and objective performance of their duties. On the other hand, the Supply Chain Division (“SCD”) shall ensure that suppliers, contractors, business partners, consultants and other third parties doing or seeking to do business with PMC shall periodically declare their relationships and/or affiliations, with any PMC Director, Employee or Consultant as a pre-condition to the commencement or maintenance of the business relationship with PMC and/or the Group.

9. QUESTIONS

For any questions about this policy or in the determination of whether a Conflict of Interest exists in any particular situation, you may approach your immediate superior, the HRD, the Internal Audit or the PMC CGO.



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<i>Prepared By:</i>	<i>Reviewed & Endorsed By:</i>	<i>Approved By:</i>
(Original Signed) Jeffrey R. Balmores Manager/CG Date: _____	(Original Signed) Danny Y. Yu CG Compliance Officer Date: _____	(Original Signed) Eulalio B. Austin, Jr. President & CEO Date: _____

**APPROVED BY THE BOARD OF DIRECTORS
ON FEBRUARY 26, 2014**

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ANNEX “A”

EXAMPLES OF POLICY VIOLATIONS

The following are examples of situations which may arise illustrating a potential Conflict of Interest situation. The areas and situations enumerated are illustrative only and not exhaustive.

A. Dealings with and as Suppliers, Contractors, Business Partner, Consultants and Third Parties

1. Failure of a Director, Employee or Consultant to disclose and procure the required approval from the relevant authorities of a transaction or potential transaction with PMC or any company within the Group in which he or his Affiliate has personal interest or which give rise, or is reasonably expected to give rise, to a Conflict of Interest.

2. Failure of a Director, Employee or Consultant to inhibit himself from any involvement or participation in the decision making process, actions or other dealings regarding a transaction with PMC or any company within the group in which he or his Affiliate has a personal interest and which he is in a position to control or influence any decision or action in such transaction.

3. When an authorized Employee awards a business to an entity in which a Director, Employee or Consultant of his Affiliate has a private interest, where such award is not based on the best interest of PMC, or had not been approved by the relevant authorities.

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B. Dealings with Directors, Employees, Consultants and Prospective Employees or Consultants

1. When a Director, Employee or Consultant directly or indirectly contributes to a decision to hire, promote or provision of employee advancement of a Relative in PMC or any of the companies within the Group.
2. Where a Director, Employee or Consultant directly supervises his Relative who is an employee of PMC or any of the companies within the Group.

C. Directorships, executive positions and other employment in other companies or organizations

1. Employee or Consultant's participation in paid or unpaid activities which may result in said Employee or Consultant's neglect of his duties and responsibilities to PMC or any of the companies within the Group.
2. An Employee or Consultant taking a part-time job where such Employee or Consultant may be tempted to spend time on that job during his working hours in PMC.

D. Use of the property, services and other resources

1. More than inconsequential use of PMC or any of the companies within the Group's office supplies for a Director, Employee or Consultant's other employment or positions outside of PMC or any of the companies within the Group.
2. Use of PMC or any of the companies within the Group's service vehicles during the weekend by the Director, Employee, Consultant and/or his Affiliates, where such Director, Employee or Consultant is not an official business of PMC or any of the companies within the Group. For the avoidance of doubt, this does not apply to vehicles assigned to managers and heads under any car plan.

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E. Prohibited Conflict Situations

1. A Director or officer who by virtue of his position learns about a business investment that the Company is planning to make, such as the purchase of a real property at a good location and at a low price; and such Director or officer takes advantage of such knowledge and purchases such property and thereafter profits from the re-sale of such parcel of land.

2. A subsidiary of the Company grants a personal loan to a Director or officer of the Company.

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ANNEX "B"

SUMMARY OF REQUIREMENTS FOR PMC DIRECTORS, EMPLOYEES AND CONSULTANTS			
Conflict of Interest Area	Disclose in Writing To*	Additional Requirements	Approvals Required for Validity of Transaction/Action*
A. Dealing with and as Suppliers, Contractors, Business Partners, Consultants, and Third Parties	<p>a.1 <u>For Directors</u> To: The Board of Directors through the Chairman Cc: The CGO through the Compliance Officer</p> <p>a.2 <u>For Group Heads</u> To: The President and CEO Cc: The CGO through the Compliance Officer</p> <p>a.3 <u>For Staff/Non-Supervisory Employees, Supervisory Employees, Managers and Department Heads</u> To: The Group Head Cc: The CGO through the Compliance Officer</p> <p>a.4 <u>For Consultants</u> To: The Group Head Cc: The CGO through the Compliance Officer</p>	<ul style="list-style-type: none"> • Conflicted Director, Employee or Consultant must inhibit himself from any direct or indirect participation or involvement at any stage of the transaction. • Conflicted Director, Employee or Consultant cannot sign any paper or document related to the transaction. • For Directors and Officers – Sec. 31 (Liability of directors, trustees or officers), Sec. 32 (Dealings of directors, trustees or officers with the corporation), and Sec. 33 (Contracts between corporations with interlocking directors) of the Corporation Code shall also be complied with, where applicable. 	<p>Board of Directors – for transactions involving a conflicted Director</p> <p>President and CEO – For transactions involving a conflicted officer</p> <p>Management Committee – for transactions involving Consultant</p>




Title:
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SUMMARY OF REQUIREMENTS FOR PMC DIRECTORS, EMPLOYEES AND CONSULTANTS			
Conflict of Interest Area	Disclose in Writing To*	Additional Requirements	Approvals Required for Validity of Transaction/Action*
B. Dealings with Directors, Employees, Consultants and Prospective Employees or Consultants	b.1 <u>For Directors</u> To: The Board of Directors through its Chairman Cc: The CGO through its Compliance Officer b.2 <u>For Group Heads</u> To: The President and CEO Cc: The CGO through the Compliance Officer b.3 <u>For Staff/Non-Supervisory Employees, Supervisory Employees, Managers and Department Heads</u> To: The Group Head Cc: The CGO through the Compliance Officer	<ul style="list-style-type: none"> • Conflicted Director, Employee or Consultant must inhibit himself from any direct or indirect participation or involvement at any stage of the official action. • Conflicted Director, Employee or Consultant cannot sign any paper or document related to the official action 	






Title:

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SUMMARY OF REQUIREMENTS FOR PMC DIRECTORS, EMPLOYEES AND CONSULTANTS			
Conflict of Interest Area	Disclose in Writing To*	Additional Requirements	Approvals Required for Validity of Transaction/Action*
C. Directorships, executive positions and other employment in other companies or organizations	<p>c.1 <u>For Directors</u> To: The Board of Directors through the Chairman Cc: The CGO through its Compliance Officer</p> <p>c.2 <u>For Group Heads, Consultants</u> To: The President and CEO Cc: The CGO through the Compliance Officer</p> <p>c.3 <u>For Staff/Non-Supervisory Employees, Supervisory Employees, Managers and Heads</u> To: The Group Head Cc: The CGO through the Compliance Officer</p>	<ul style="list-style-type: none"> For Employees and Consultants – As may be prescribed by policies of the HRD. For Directors – compliance with the applicable provisions of PMC By laws, Code of Business Conduct and Ethics (Manual on Corporate Governance), and other applicable laws, rules and regulations. 	For Employees and Consultants – Relevant authorities to whom they are required to disclose.

Jul.

Jan

Title:

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SUMMARY OF REQUIREMENTS FOR PMC DIRECTORS, EMPLOYEES AND CONSULTANTS			
Conflict of Interest Area	Disclose in Writing To*	Additional Requirements	Approvals Required for Validity of Transaction/Action*
D. Use of the property, services and other resources.	d.1 <u>For Directors</u> To: The Board of Directors through the Chairman Cc: The CGO through its Compliance Officer d.2 <u>For Group Heads, Consultants</u> To: The President and CEO Cc: The CGO through the Compliance Officer d.3 <u>For Staff/Non-Supervisory Employees, Supervisory Employees, Managers and Heads</u> To: The Group Head Cc: The CGO through the Compliance Officer	<ul style="list-style-type: none"> Use of property, services and other resources should be minimal or inconsequential. Compliance with the implementing guidelines, as may be prescribed by the HRD. 	Express written permission of the relevant authorities to whom they are required to disclose.
E. Prohibited Conflict of Interest Situations	The CGO through the Compliance Officer		Waiver of the prohibition specified under Item No. 5(e) shall be subject to Board approval and the transaction entered into by the Director of officer shall be subject to ratification by stockholders owning at least two-thirds (2/3) of the Company's outstanding shares with voting rights.

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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 endeavor to promote a culture of good corporate governance in their business relationships with the Company’s suppliers/contractors (the “Suppliers”).

This Supplier/Contractor Relations Policy is issued to implement the Competition and Fair Dealing provisions of the Company’s Code of Business Conduct and Ethics, and to supplement the Dealings with Suppliers provisions of the Company’s Conflict of Interest Policy.

This policy further 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.

1. RATIONALE

PMC shall uphold the highest professional standards of business practices, core values and ethics as enshrined in its *Code of Business Conduct and Ethics* (the “Code”) in its business dealings with its Suppliers in the procurement of products and services.

2. GENERAL STATEMENT OF THE POLICY

PMC shall promote and implement standards of relationships with Suppliers that embody the Code’s principles and core values as defined in the Code. Directors, Employees and Consultants shall maintain the Company’s reputation for equal opportunity and honest treatment of Suppliers in all business transactions.

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3. APPLICABILITY

- (a) This policy applies to, and shall be implemented by, all members of the Board of Directors (each, a “Director” and collectively, the “Directors”), Employees (each an “Employee” and collectively, the “Employees”), and Consultants of PMC.

- (b) It is the intention of the PMC Board that a similar policy shall be adopted and implemented by the PMC subsidiary companies. In this regard, the respective Presidents shall recommend the adoption of this policy (for a similar policy) to their respective Boards.

4. DEFINITIONS

For purposes of this policy,

- (a) **Best Bid** – the Supplier bid that offers best value for money. A detailed and holistic technical and commercial evaluation, aside from the price evaluation, is necessary to determine which proposal provides the best value for the Company’s requirements.

- (b) **Bribe** – includes any money, fee commission, credit, gift, gratuity, thing of value, compensation, personal business and the like, benefits or advantage of any kind that is, directly or indirectly, provided to or received by anyone for the purpose of improperly obtaining or according favorable treatment in connection with a business transaction.

- (c) **Competitive Bidding** – the process of soliciting bids from qualified Suppliers for the purpose of the procurement of materials, supplies, equipment, and/or services for Company projects. All bidders are given

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equal opportunity to compete and their bids are evaluated fairly and in a transparent manner.

- (d) **Consultants** – includes professional consultants, firms, partnerships, counsels, or such other professional entities or individuals rendering professional or specialized expert services to PMC and/or any Company within the Group, as well as advisors of the Company who may be appointed by the Board of Directors or Chief Executive Officer (CEO)/President, or who act as representatives of the Company’s investors, shareholders, affiliates or partners.
- (e) **Employee** – any individual hired by PMC for salaries and/or benefits provided in regular amounts at stated intervals in exchange for services rendered personally for the Company’s business on a regular basis and who does not provide such services as part of an independent business. This includes PMC’s officers, executives, supervisors, and rank and file, and for purposes of this policy only, Subsidiaries’ Employees who also work for/serve PMC (e.g., on a seconded basis).
- (f) **Industrial Relations Obligations** – means an employer’s legal responsibilities, under applicable labor and employee benefit laws, including but not limited to, Employees’ remuneration, training, annual holidays, leave entitlements, occupational health and safety, compensation, injury management, legal age of employment, and discrimination.
- (g) **Negotiated Contract** – a non-competitive means of awarding business transactions to Suppliers. It involves direct negotiation with and/or award to a particular Supplier for the specifications, terms, conditions, and prices of the requirement. This type of transaction includes reciprocal arrangements with Suppliers that are likewise PMC’s corporate clients.

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- (h) **Personal Benefit** – refers to gain or advantage, whether material or non-material, directly or indirectly provided to or received by a Director, Employee, Consultant, his Relatives, and/or affiliates such as financial gain, professional advancement, travel, facilities and/or accommodation benefits, entertainment, material benefits, preferential treatment in personal transactions, and other similar advantages.
- (i) **Relatives** – relatives of up to third degree, by consanguinity, affinity, or legal adoption, including, the Directors' Employee's or Consultant's spouse, parents, children (and their spouses), siblings (and their spouses), nieces and nephews (limited to children of a brother or sister) [and their spouses], grandparents, and aunts and uncles (limited to brothers or sisters of a parent); and a domestic partner and his relatives of up to third degree, by consanguinity or affinity or legal adoption.
- (j) **Supplier** – includes existing or potential contractors, collection/sales agencies, etc. This covers any person or entity, including its representatives and agents that sell its products and/or services to the Company.

5. DETAILED POLICY STATEMENTS

(A) Company

- (i) The Company shall seek and maintain mutually beneficial relationships with Suppliers that uphold the Company's principles and core values.
- (ii) The Company shall give qualified Suppliers adequate, fair, and equal opportunity to bid on goods and services for the Company's projects or requirements.

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- (iii) The Company shall accredit Suppliers based on established criteria that reflect the Company's reputation for fair, equal opportunity and honest treatment of all Suppliers.

- (iv) As a general rule, purchases will be made on the basis of Competitive Bidding. In the event that it will be to the best interest of the Company to enter into strategic partnerships with Suppliers, the Company may apply the Negotiated Contract option. All such strategic partnerships and negotiated transactions must be reported and justified to the appropriate approving authorities, and recorded prior to commitment. Transparency in all these transactions shall be maintained at all times. Such reports, justifications, and subsequent approval or disapproval of the appropriate authorities shall be kept by the Procurement Center.

- (v) The Company shall hold in confidence all dealings with bidders and Suppliers. In this regard, Company and the Supplier confidential information shall be withheld unless the functional Group Head, through its written determination that it would be for the best interest of the Company and stating the justifications therefore, allow an Employee or Consultant to disclose such information.

- (vi) The Company shall ensure that, as part of the contract terms with PMC, Suppliers shall agree to abide with laws, rules and PMC standards relating to Industrial Relations Obligations, environment, health and safety, intellectual property rights, other applicable laws and observe the principles enshrined in the Code.

- (vii) All business transactions of the Company with Suppliers (i.e. negotiations, contracts, payments, etc.) must be documented and reflected accurately and fairly in the accounts of the Company in accordance with established rules and procedures.

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- (viii) PMC subsidiaries that are also existing or prospective Suppliers of the Company shall be treated fairly and given the same opportunities as other Suppliers. In this respect, the total cost of the Company shall still be considered in the evaluation bids.
- (ix) The Company shall disburse payments committed to Suppliers in a prompt manner and in accordance with the applicable contract provision.
- (x) The Company allows Suppliers to extend PMC's corporate rates for personal availment of all Directors, Employees and Consultants of the Supplier's goods and/or services; *Provided*, however, that any such arrangement shall be transparent and made available to all Directors, Employees and Consultants of PMC; *Provided*, further that any purchases made under these arrangements shall be limited to the Directors', Employees' and Consultants' personal use or consumption and not to be sold, bartered or exchanged, whether or not for profit.

(B) Directors, Employees and Consultants

- (i) In all procurement transactions of Directors, Employees and Consultants, they shall primarily consider the interest of the Company and carry out and adhere to the Company's established objectives and policies.
- (ii) Directors, Employees and Consultants shall promote and observe ethical conduct in their relationships, actions, and communications with Suppliers at all times. It is essential that in all aspects of the transactions with Suppliers, such as during the negotiation, performance monitoring, or administration of PMC's contracts,

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- (iii) Directors, Employees and Consultants shall avoid actions, speech or behavior that in any way diminishes open, honest and fair treatment of Suppliers.

- (iv) Directors, Employees and Consultants shall seek the best value for money from the Suppliers' products and services and avoid compromising the required standards of service and quality from the Suppliers. Decisions for choosing the best Supplier shall be based and supported by established criteria that are made known to the Suppliers before a bidding is conducted.

- (v) Employees managing purchases and contracts shall take into account the significant benefits the Company shall obtain when it embarks on mutual agreements with Suppliers while still observing the Company's principles and core values with the other Suppliers.

- (vi) Employees shall avoid adopting and/or requiring specifications of products and services that either favors a particular Supplier or group of Suppliers or limits competitive sourcing.

- (vii) Directors, Employees and Consultants are responsible for decisions and actions made for or on behalf of the Company.

- (viii) Directors, Employees and Consultants shall (a) remain free from obligations to any Supplier; (b) not use their authority for Personal Benefit, rejecting and denouncing any business practice that is improper; (c) not give favorable treatment to any Supplier with whom the Company does business; (d) avoid circumstances that could impair their objectivity in the performance of their duties and obligations to the Company; and (e) declare their personal relationships (e.g. relatives, former classmates or co-workers, firm partners, fraternity members or co-members in closed knit associations such as masonry/lodge, etc.) and/or previous business

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and official dealings (e.g. former business partner, broker, superior or subordinate) and relationships with any of the stockholders, officers, and representatives of Suppliers they are dealing with when dealing or transacting directly or indirectly, with such parties.

- (ix) Directors, Employees and Consultants are prohibited from the following actions: (a) soliciting, accepting, or attempting to accept any Bribe; (b) providing, attempting to provide, or offering to provide any Bribe; and (c) taking part in an illegal or unethical collusion or any other arrangement or agreement with bidders. Each functional group is responsible for detecting, reporting and preventing the offer or acceptance of a Bribe in exchange for being awarded a contract or the grant of any advantage given to Suppliers.

6. WHAT NEEDS TO BE DONE

All Directors, Employees and Consultants are encouraged to be vigilant against any irregular, illegal, or unethical conduct of Suppliers and/or fellow Directors, Employees and Consultants. The Company encourages everyone to report any such violations based on the existing Whistleblowing Policy or equivalent policy.

Directors, Employees and Consultants may also report in writing their knowledge about any irregular, illegal or unethical conduct of Suppliers and/or fellow Directors, Employees and Consultants as follows: (a) Directors shall notify the Board of Directors through its Chairman of such conduct; (b) Officers shall report to the President and CEO [copy furnished the Corporate Governance Office (“CGO”)]; (c) while Employees and Consultants shall inform their respective Group Heads, copy furnished to the CGO.

A proper investigation and resolution of each reported event shall be made by the appropriate business units and the results shall be forwarded to the Chairman of the Board, the President and CEO or respective executive-level superior, and the CGO and other relevant groups or bodies, in accordance with the procedure stated in the Whistleblowing Policy.

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The Board of Directors, Officers and Executives must ensure that any Director, Employee or Consultant who reports a suspected violation of this policy by fellow Director, Employee or Consultant is protected from any form of retaliation.

7. CONSEQUENCES OF VIOLATIONS

Any Director, Employee and Consultant found to have violated this Policy shall be liable to the extent of the damage/loss suffered by PMC, and/or may be subject to penalties and sanctions as may be determined by the appropriate authorities, whether or not damage is actually suffered by PMC, in accordance with the law and existing company policies.

Suppliers who violate this policy shall also be penalized. Sanctions include but are not limited to termination of business relationship with the Company and blacklisting.

8. IMPLEMENTING GUIDELINES

Appropriate implementing guidelines monitoring and measuring systems shall be formulated by the Supply Chain Division of the Company.

The Supply Chain Division shall also develop maintaining guidelines and issue the necessary notices to operationalize the application of this policy to Suppliers, including requiring Suppliers to declare their personal relationships (e.g., relatives, former classmates or co-workers, etc.) and/or previous business and official dealings (e.g., former business partner, broker, superior or subordinate) and relationships with any of the Company's Directors, Employees or Consultants prior to the Supplier's participation in any bid or consideration for any transaction by the Company.

9. EFFECTIVITY

This Policy shall take effect immediately and implemented company-wide.

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10. REPEAL

All other policies, guidelines and practices inconsistent with this Policy are deemed superseded, amended or supplanted accordingly.

11. QUESTIONS

For any ethics-related question or concern about this Policy or in the determination of whether a violation transpire or shall happen in any particular situation, you may approach your executive-level superiors, your Human Resource Department, the Supply Chain Division, or the CGO.

<i>Prepared By:</i>	<i>Reviewed & Endorsed By:</i>	<i>Approved By:</i>
(Original Signed) Jeffrey R. Balmores Manager/CG Date: _____	(Original Signed) Danny Y. Yu CG Compliance Officer Date: _____	(Original Signed) Eulalio B. Austin, Jr. President & CEO Date: _____

**APPROVED BY THE BOARD OF DIRECTORS
ON FEBRUARY 26, 2014**

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ANNEX “A”

EXAMPLES OF POLICY VIOLATIONS

The following are examples of procurement situations that reveal unethical conduct by an Employee and/or Supplier. The areas and situations enumerated are illustrative only and not exhaustive.

1. An Employee manipulating his evaluation of the contract proposals in exchange for Bribes.
2. A Supplier seeking internal (within the Company) and/or external (i.e. political/government) connections so as to increase chances of contract award.
3. Suppliers submitting false documents for accreditation and other procurement-related transactions or processes.
4. Employees developing unreasonable or over specific technical requirements such that award of contract intentionally goes to a particular or preferred Supplier.
5. Employees giving priority or informing preferred Suppliers in advance before actual request such that other Suppliers are caught unprepared or with too little time to plan.
6. Products and/or services that have not undergone official procurement procedure since these were tested or evaluated beforehand through product demos with particular Suppliers thus limiting chances for other Suppliers to compete.

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7. Undisclosed conflict of interest situations on business dealings resulting to giving undue advantage to another party.

8. Disclosure of confidential and proprietary information by Employees to Suppliers.

9. Incorrect payment of government taxes due to manipulation of documents by Suppliers.

10. Suppliers not remitting the correct SSS, PhilHealth, Pag-Ibig and other employee contributions to their employees.

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POLICY STATEMENT

Consistent with Philex Mining Corporation's ("PMC" or the "Company") adherence to the principles of good corporate governance, this Policy is issued to define the Company's standing policy on Gifts, Entertainment and Sponsored Travel.

1. RATIONALE

The giving of Gifts and Entertainment is customary in the normal course of business to enhance good business relationships. However, Directors, Employees and Consultants must be aware that other parties may use this custom of giving of Gifts and Entertainment, including Sponsored Travel, to gain advantages or influence the objectivity of said Directors, Employees and Consultants. Accordingly, this policy contains the general guidelines for Directors, Employees and Consultants on how to handle Gifts, Entertainment and Sponsored Travel offered by Third Parties.

2. GENERAL STATEMENT OF THE POLICY

Directors, Employees and Consultants shall refrain from putting themselves in situations or acting in a manner that could significantly affect the objective, independent or effective performance of their duties and responsibilities in the Company.

In this regard, Directors, Employees and Consultants who have received Gifts, Entertainment and Sponsored Travel from any Third Parties with whom the Company does business or proposes to do business, whether directly or indirectly, shall inform their donor that these were received in behalf of the Company and shall be handled in accordance with Company policy. Sponsored Travel from Third Parties requires disclosure and prior approval from the superior, which approval shall conform to the letter and spirit of this policy.

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3. APPLICABILITY

This Policy applies to and shall be implemented by, all members of the Board of Directors (each a “Director” and collectively, the “Directors”), Employees (each, an “Employee” and collectively, the “Employees”), and Consultants of PMC.

4. DEFINITIONS

For purposes of this policy,

a) **Bribe** – includes any money, fee, commission, credit, gift, gratuity, thing of value, compensation, personal business and the like, benefits or advantage of any kind that is, directly or indirectly, provided to or received by anyone in his personal capacity for the purpose of obtaining favorable treatment in connection with a business transaction.

b) **Consultants** – includes professional consultants, advisors, firms, partnerships, counsels, or such other professional entities or individuals rendering professional or specialized expert services to PMC as well as advisors of the Company who may be appointed by the Board of Directors or Chief Executive Officer (CEO)/President, or who act as representatives for the Company’s investors, shareholders, affiliates or partners.

c) **Customer** – an individual or entity that buys products and/or services from PMC.

d) **Employee** – any individual hired by PMC for salaries and/or benefits provided in regular amounts at stated intervals in exchange for services rendered personally for the Company’s business on a regular basis and who does not provide such services as part of an independent business.

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This includes PMC officers, executives, supervisors, and rank and file, and for purposes of this policy only, Subsidiaries' Employees who also work for/serve PMC (e.g., on a seconded basis).

e) **Relatives** – relatives of up to third degree, by consanguinity, affinity or legal adoption, including, the Directors', Employee's or Consultant's spouse, parents, children (and their spouses), siblings (and their spouses), nieces and nephews (limited to children of a brother or sister) [and their spouses], grandparents, and aunts and uncles (limited to brothers or sisters of a parent); and a domestic partner and his relatives of up to the third degree, by consanguinity or affinity or legal adoption.

f) **Gifts** – a thing(s), present, sponsorships, or any other personal benefit given by Third Parties to Directors, Employees, Consultants, or their Relatives with whom they transact, whether directly or indirectly, in relation to PMC business dealings, and regardless of the place where such Gifts are offered to or received by a Director, Employee or Consultant.

- **Expensive Gifts** – gifts above P4,000.00 in value. These shall be classified as:
 - i. **Perishable Gift** – refers to any food, beverage or flowers that will expire within a month from receipt, or those requiring refrigeration, such as, but not limited to, cakes, pastries and fruits.
 - ii. **Non-perishable Gift** – this includes non-food or non-beverage item, as well as any food or beverage that does not fall under the scope of perishable gifts, such as, but not limited to, gift baskets with bottled/preserved food, packed biscuits/cookies, canned goods or liquor.
- **Token Gifts** – gifts valued equal to or below P4,000.00 (regardless of whether it is perishable or non-perishable).

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- g.) **Entertainment** – refers to any form of hospitality such as meals for Directors, Employees and Consultants given by Third Parties. It also covers spectator and participative activities (i.e., golf, music, sailing, and other similar activities).

- h.) **Sponsored Travel** – any travel, accommodation and/or attendance/participation in conferences/conventions/seminars, international or domestic, whether for personal or business purposes, the costs of which are fully or partially paid for by Third Parties.

- i.) **Third Party** – an individual, entity, organization and/or its representatives that has existing and/or intended business dealings with the Company. This includes but shall not be limited to prospective or existing suppliers, contractors, buyers, content providers, media, agencies, dealers, Customers, or all other business partners who are or may be similarly situated. This also covers associates (former classmates, co-workers, co-fraternity members, co-members in closed knit associations such as masonry/lodge, etc.) who are also prospective or existing suppliers, contractors, buyers, content providers, media, agencies, dealers, or Customers, or all other business partners who are or may be similarly situated.

5. DETAILED POLICY STATEMENTS

A. Gifts

1. Solicitation of Gifts from Third Parties shall be avoided; while acceptance of Gifts from Third Parties shall be made in behalf of and surrendered to the Company, subject to the following guidelines:



Title:

Policy on Gifts, Entertainment & Sponsored Travels

- i. Solicitation and/or acceptance of cash, cash/check, gift certificates or other cash equivalents of any amount, free membership or subscriptions (e.g. sport or other clubs), and any Gifts, **except as otherwise provided for in the succeeding paragraphs**, from Third Parties even if given on occasions of rejoicing or celebration such as Company parties, birthdays, anniversaries, or Christmas, is prohibited.
- ii. Token Gifts voluntarily given by a Third Party to a Director, Employee or Consultant may be accepted and kept by the recipient.
- iii. Gifts or donations solicited by and/or given to the Company for Company-authorized corporate social responsibility programs or initiatives, including outreach or charitable works of the

Company's officially recognized employee organizations, such as medicines for medical missions, food and supplies for calamities, materials for community development are acceptable; *Provided*, however, that in the event that not all gifts or donations shall be accepted or entertained or not all Third Parties will be requested to make a donation, gift or pledge, the parameters, requisites or conditions for the selection shall be made transparent to all at the outset, including other relevant Third Parties.

- iv. Donations in kind such as system equipment to be utilized for the Company's research and development projects may be solicited and/or accepted in behalf of the Company; *Provided*, however, that in the event that not all donations are accepted, the acceptance parameters and conditions for acceptance shall be made transparent to all Third parties.

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- v. Raffle tickets (or prizes won from such raffle tickets) and other promotional items given to the Company, its Directors, Employees or Consultants for their attendance to certain events, (including but shall not be limited to athletic or social events, anniversary or Christmas parties and the like), conferences, seminars, or product presentations of Third Parties may be accepted and kept by the recipient/winner **regardless of the value**; *Provided*, however, that the other participants are likewise entitled to such raffle tickets and given equal opportunity to win prizes;

 - vi. Gifts/tokens of appreciation offered to or received by a Director, Employees or Consultant from Third Parties in connection with such Director, Employee or Consultant's acceptance of an invitation or actual participation as speaker, facilitator or reactors in conferences or seminars sponsored or organized by such Third Parties may be kept by the recipient; *Provided*, that the other speakers, facilitators and/or reactors are also given similar gifts/tokens of appreciation by relevant Third Parties;

 - vii. Courtesy discounts given to Directors, Employees and Consultants by Third Parties on the former's personal purchases of products and services of Third Parties are allowed; *Provided*, that such discounted purchases are made openly and the same terms are made available to all Directors, Employees and Consultants.
2. Directors, Employees or Consultants shall not be eligible to receive Gifts as part of any purchases made by the Company.
3. The direct or indirect offer, payment, solicitation and/or acceptance of Bribes in any form by a Director, Employee or Consultant from a Third Party and vice-versa, is prohibited.

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B. Entertainment

1. The Director, Employee or Consultant shall use his best judgment in determining the propriety and frequency of accepting various forms of Entertainment offered by Third Parties. The following questions may be used as guides for a Director, Employee or Consultant in deciding whether an Entertainment is acceptable:

- i. Is it related to the conduct of business?
- ii. Would I feel comfortable telling others about this Entertainment? How would it appear to other Employees or people outside the Company?
- iii. Do I feel compelled to reciprocate or grant special favors as a result of this Entertainment (or am I trying to constrain Third Parties to reciprocate or grant favors)
- iv. Am I certain the Entertainment does not violate any law, local or business rules and regulations, the Solicitation and Acceptance of Gifts and Entertainment Policy of PMC, or any other Company rule? Is it contrary to morals or good customs?

2. Meals during business meetings are acceptable.

3. Business meetings in locations that do not conform to accepted standards of propriety and are not conducive for business purposes shall be avoided.

4. Acceptance of invitations to theater, concerts or social/sporting events are permissible; *Provided*, however, that such invitations are generally available to others in the same community, category or industry. Further, due regard to the frequency of attendance and benefit for the Company shall be considered at all times.

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5. Directors, Employees and Consultants shall not use property belonging to Third Parties, their employees, agents and/or representatives such as, but not limited to, vehicles, beach houses, resorts and vacation houses whether for their personal benefit or Company purpose.

6. Directors, Employees and Consultants shall refrain from requesting for or soliciting any form of Entertainment from a Third party including sponsorship for Company activities, non-Company supported charitable works, and/or personal events such as birthdays, weddings, baptisms, etc., or from accepting such Entertainment where such acceptance could impair their objectivity in the performance of their duties and obligations to the Company.

C. Sponsored Travel

1. Sponsorship of the Company or its Director, Employee or Consultant's attendance, which may include travel, accommodation and/or registration expenses in conferences, conventions, exhibits is acceptable; *Provided*, that the sponsor is an industry/professional organization not associated with any Third Party.

2. The Director, Employee or Consultant is obliged to refuse offers of free travel and/or accommodation to conferences, conventions, exhibits, product presentations or other similar events from Third Parties. Attendance at such conferences, conventions, exhibits, product presentations or other similar events shall be allowed only if:

- (a) it will benefit the Company;
- (b) is approved by the appropriate approving authority and
- (c) the Company pays for all expenses associated with such travel.

However, in exceptional and justified cases as may be determined in writing by the Chairman of the Board (for Directors) or the President and CEO (for Employees and Consultants), said approving authorities may allow Directors, Employees or Consultants

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to accept Sponsored travel to conferences, conventions, and such events from Third Parties.

3. Complimentary travel and accommodation for trainings from Third Parties may be permitted if these are part of an approved/existing contract and are deemed to benefit the Company.

4. There are instances when Third Parties provide Sponsored Travel to Directors, Employees or Consultants to local and/or international business/industrial site to demonstrate actual performance of their products/systems. Acceptance of such sponsored invitation should be justified by the following:

- i. The purpose of the travel should be business in nature and has a direct benefit to the future performance and business of the Company.
- ii. Knowledge of Directors, Employees or Consultants assigned/chosen for the travel would be valuable to the evaluation of the system and directly related to his job function.

6. WHAT NEEDS TO BE DONE

It is the duty of a Director, Employee or Consultant who is offered or receives a Gift, Entertainment and/or Sponsored Travel to **immediately disclose** the offer or receipt thereof to his respective superior, copy furnished the Corporate Governance Office (“CGO”). These shall be handled in the following manner:



Title:

Policy on Gifts, Entertainment & Sponsored Travels

A. Gifts

<u>Type of Gift</u>	<u>Disposition</u>
1. Cash, check/check certificates, or any other cash equivalents of any amount.	Shall be politely refused and/or returned to the Third Party.
2. Token Gifts	Shall be kept by the recipient.
3. Expensive Gifts	
<i>i. Non-perishable Gift</i>	Shall be raffled-off for the benefit of all Directors, Employees and Consultants of the Company.
<i>ii. Perishable Gift</i>	Shall be shared and consumed by the Employees in the business unit to which the recipient belongs.
4. Raffle Prizes	Shall be kept by the winner/recipient

B. Sponsored Travels

In rare occasions when the offers from a Third Party exceed those outlined in above Sections 5-B (Detailed Policy Statement – Entertainment), and 5-C (Detailed Policy Statement – Sponsored Travel), the Director, Employee or Consultant shall discuss such occurrences for approval of the relevant superior (Refer to below table) before acceptance. In all events, however, proper documentation, disclosure, reporting, approval and liquidation procedures, as required under Company systems practice and implementing guidelines, shall be followed.

In cases where a Relative of a Director, Employee or Consultant solicits and/or accepts Gifts, Entertainment and Sponsored Travel from Third Parties without adhering to the parameters set forth in this policy, the Director, Employee or Consultant shall promptly, upon his discovery or awareness of such fact, disclose the same in writing to his relevant superior.

The superior with respect to the following shall be:

<u>Position</u>		<u>Superior</u>	
a.	Director	a.	Board of Directors through its Chairman
b.	Executives (VP Level)*	b.	President and CEO
c.	Rank & File, Supervisors, Manager and Consultants	c.	Group Head

** If immediate superior is the President or CEO, the CGO must be provided a summary of actions taken.*

It is also the duty of a Director, Employee or Consultant to immediately report to his superior any attempt by Third Parties to undermine the former's transparency, integrity, fairness, accountability and objectivity in performing his functions by the offer of Gifts or other inducements.

The Board of Directors, officers and executives must ensure that any Director, Employee or Consultant who reports a suspected violation of this policy by fellow Directors, Employees or Consultants is protected from any form of retaliation.

7. CONSEQUENCES OF VIOLATIONS

Any Director, Employee, or Consultant who fails to comply with this policy shall be, upon notice and hearing, subjected to penalties and sanctions as may be determined by the appropriate corporate authorities.

Third Parties found to have defied this policy shall be penalized.

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8. IMPLEMENTING GUIDELINES

Appropriate implementation guidelines and monitoring and measuring systems shall be developed by the Human Resources Department in coordination with relevant business units such as the Supply Chain Division.

The President and CEO may reassess the ceiling price of the Token Gifts and baseline price of the Expensive Gifts annually. If the exigencies so warrant, a written directive from the President and CEO shall be issued to adjust these prices; *Provided*, that such adjustment of prices shall not be made more than once a year.

The Supply Chain Division shall also develop implementing guidelines and issue the necessary notices to operationalize the application of this policy to the Third Parties.

9. EFFECTIVITY

This Policy 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.

10. REPEAL

All existing policies, systems, practices, and related implementing guidelines concerning the same matters covered by this Policy are deemed superseded by this Policy. In the event of any inconsistency between the policy and guidelines contained in this Policy and the terms of other existing policies, systems, practices and related implementing guidelines, this Policy shall prevail.

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11. QUESTIONS

For any questions about this policy or in the determination of whether a situation violates or potentially violates this policy, you may approach your respective superior, Human Resource Department and/or the CGO.

<i>Prepared By:</i>	<i>Reviewed & Endorsed By:</i>	<i>Approved By:</i>
(Original Signed) Jeffrey R. Balmores Manager/CG Date: _____	(Original Signed) Danny Y. Yu CG Compliance Officer Date: _____	(Original Signed) Eulalio B. Austin, Jr. President & CEO Date: _____

**APPROVED BY THE BOARD OF DIRECTORS
ON FEBRUARY 26, 2014**

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WHISTLE BLOWING POLICY			

POLICY STATEMENT

In accordance with PHILEX MINING CORPORATION's ("PMC" or the "Company") adherence to the principles of good governance, this Policy and procedures are being issued to provide a system and venue for the proper submission, handling or resolution of employees' complaints or disclosures regarding violations of corporate governance rules, questionable accounting or auditing matters, and offenses covered by the Company's existing Code of Discipline or equivalent policy.

Also, consistent with PMC's core value of integrity, every employee is committed to ensure compliance with all applicable laws, rules, regulations and company policies, systems practice, orders and similar official corporate issuances. Employees are therefore encouraged and should impose upon themselves the duty of disclosing to their immediate superior existing or potential violations and offenses that they are or may become aware of. The immediate superior is expected to objectively and timely resolve matters raised to his attention. He is primarily responsible for enforcing the Company's policies, rules and regulations, and for imposing appropriate disciplinary actions.

This Policy and procedures are not intended to replace but shall serve as a complement and/or supplement to existing principles, policies, rules and procedures, and shall apply in those instances when an employee deems it more prudent to raise to another authorized unit within the Company his complaint for its proper handling, investigation and resolution. This Policy and procedures may apply when any of the matters covered which is brought to the attention of the immediate superior is not acted upon in accordance with the Company's standard reporting procedures, or is concealed, or the immediate superior is himself involved in the infraction, or the reporting person fears reprisal, which prevents him from availing of the Company's standard reporting procedures.

This Policy and procedures shall referred to as Policy on Handling of Employee Disclosures and Complaints Regarding Violations of the Corporate Governance Rules, Questionable Accounting or Auditing Matters and Offenses Covered by the Company's Code Of Discipline & Related or Equivalent Policies, otherwise known as the "**Whistleblowing Policy**" (WB Policy).

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WHISTLE BLOWING POLICY			

1.0 SCOPE

The coverage of this WB Policy shall be all complaints and/or disclosures about the following:

- a. Violations of the Corporate Governance Rules (CG Rules) (see examples in *Exhibit A*);
- b. Questionable Accounting or Auditing Matters (see examples in *Exhibit B*); and
- c. Violations and offenses covered by the Company's Code of Discipline or equivalent policy, which do not fall under items (a) and (b) hereof (see examples in *Exhibit C*).

This will **not** apply to concerns or issues regarding an individual's terms and conditions of employment or other aspects of established working conditions, unless related to Retaliation. These excepted matters shall be filed with the concerned department of the Human Resources (HR).

2.0 APPLICABILITY

It is the intention of the PMC's Board of Directors that a similar Policy shall be adopted and implemented by each PMC's operating Subsidiary and their respective operating subsidiaries, and the Presidents of these companies shall recommend the adoption of this Policy (or a similar policy) to their respective Board of Directors.

3.0 DEFINITIONS

- 3.1. **CG Rules** refers to the Manual on Corporate Governance, Code of Business Conduct and Fair Dealings, Conflict of Interest Policy, Gifts, Supplier/Contractor Relations Policy, other Company

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POLICY STATEMENT

In accordance with PHILEX MINING CORPORATION's ("PMC" or the "Company") adherence to the principles of good governance, this Policy and procedures are being issued to provide a system and venue for the proper submission, handling or resolution of employees' complaints or disclosures regarding violations of corporate governance rules, questionable accounting or auditing matters, and offenses covered by the Company's existing Code of Discipline or equivalent policy.

Also, consistent with PMC's core value of integrity, every employee is committed to ensure compliance with all applicable laws, rules, regulations and company policies, systems practice, orders and similar official corporate issuances. Employees are therefore encouraged and should impose upon themselves the duty of disclosing to their immediate superior existing or potential violations and offenses that they are or may become aware of. The immediate superior is expected to objectively and timely resolve matters raised to his attention. He is primarily responsible for enforcing the Company's policies, rules and regulations, and for imposing appropriate disciplinary actions.

This Policy and procedures are not intended to replace but shall serve as a complement and/or supplement to existing principles, policies, rules and procedures, and shall apply in those instances when an employee deems it more prudent to raise to another authorized unit within the Company his complaint for its proper handling, investigation and resolution. This Policy and procedures may apply when any of the matters covered which is brought to the attention of the immediate superior is not acted upon in accordance with the Company's standard reporting procedures, or is concealed, or the immediate superior is himself involved in the infraction, or the reporting person fears reprisal, which prevents him from availing of the Company's standard reporting procedures.

This Policy and procedures shall referred to as Policy on Handling of Employee Disclosures and Complaints Regarding Violations of the Corporate Governance Rules, Questionable Accounting or Auditing Matters and Offenses Covered by the Company's Code Of Discipline & Related or Equivalent Policies, otherwise known as the "**Whistleblowing Policy**" (WB Policy).



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- 3.5 Whistleblower** refers to an employee or group of employees of the Company making, in good faith, a disclosure or filing a complaint regarding illegal or unethical conduct or conduct that violates the CG Rules, or constitutes a Questionable Accounting or Auditing Matter or an offense covered by the Company's Code of Discipline or equivalent policy, or subsequently, about Retaliation.
- 3.6 (Whistleblower) Complaint** refers to a disclosure or a complaint regarding illegal or unethical conduct or conduct that violates the CG Rules, or constitutes a Questionable Accounting or Auditing Matter or an offense covered by the Company's Code of Discipline or equivalent policy.
- 3.7 Witness** refers to an employee of the Company or any company within the PMC Group or any third party other than a whistleblower who participates or cooperates in the investigations or proceedings pertaining to a Complaint.
- 3.8 Retaliation** pertains to an act of reprisal, discrimination, harassment, intimidation or adverse personnel action by Company directors, officers, executives, supervisors, or employees against a Whistleblower or a Witness.

The attached *Annex "1"* presents a list, which is not intended to be exhaustive, of possible instances of Retaliation.

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4.0 GENERAL POLICIES

4.1 Confidentiality

All (Whistleblower) Complaints including the identity of the Whistleblower, Witnesses and employees named in the Complaint will be treated in a confidential manner, unless the Company is otherwise required or compelled by law to release information.

4.2 Anonymous Reporting

Any (Whistleblower) Complaint must be made or filed through any of the various reporting channels under Section 5.1 below. To aid further investigation of the (Whistleblower), a Whistleblower who makes or files a (Whistleblower) Complaint anonymously may opt to provide means by which he can be contacted without compromising the anonymity, e.g. send and/or receive mails through a post office (P.O.) Box number, an e-mail address, or communicate through text messages using a pre-paid cell phone number, etc.

4.3 Protection from Retaliation

Subject to the provisions of Section 4.4 and without prejudice to legally-mandated courses of action to protect one's right, baseless and illegal Retaliation against any Whistleblower or Witness is prohibited and will be dealt with in accordance with this Policy, other relevant Company policies and rules, and applicable laws. A Whistleblower or Witness who will identify himself shall be protected from Retaliation.

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4.4 Malicious Allegations

In case the Appropriate Investigating Unit (AIU) to which a (Whistleblower) Complaint has been referred should determine, after investigation, that the Whistleblower and/or Witness has made baseless, untruthful, fabricated, malicious, or vexatious allegations, and particularly if he/they persist(s) in making them, disciplinary action may be taken against the Whistleblower and witness in accordance with pertinent Company policies and rules and applicable laws in order to protect the good name of persons that may have been unjustly accused or implicated.

For purposes of this policy, the AIU may either be the Internal Audit, Human Resources, Legal, Security, etc., or a committee composed of representatives from those relevant units, where necessary.

5.0 SPECIFIC POLICIES AND PROCEDURES

(Whistleblower) Complaints

The following procedures shall apply with respect to all (Whistleblower) Complaints.

5.1 Submission/Receipt of Complaints (except Retaliation complaints which shall be handled in accordance with Section 5.6)

5.1.1 Any (Whistleblower) Complaint must be made to or filed with the Corporate Governance Office (CGO) through the appropriate reporting channels referred to in Sections 5.1.2 and 5.1.3. It may also be filed through any responsible officer of the Company who, in turn, shall refer it to the CGO for appropriate handling.

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The Whistleblower may elect to identify himself or remain anonymous, in accordance with Section 4.2 hereof.

5.1.2 A (Whistleblower) Complaint shall preferably be in writing and may be submitted either through e-mail address, fax number or P.O. Box Number which shall be set up by the CGO exclusively for this purpose.

5.1.2.1 A Whistleblower shall file his (Whistleblower) Complaint using the Complaint/Disclosure Form (CDF) (see *Annex "2"*), a template of which shall be made available in the PMC website to be set up for this purpose.

5.1.2.2 Any written (Whistleblower) Complaint shall be initially handled by the CGO which shall assign a case number and ensure that official records are established and maintained.

5.1.3 A (Whistleblower) Complaint may also be made verbally to the Corporate Governance Compliance Officer ("CGCO") either in person or by calling the special phone number that shall be established for this purpose.

5.1.3.1 For verbal (Whistleblower) Complaints, the CGCO shall:

- solicit and document as much information and details from the Whistleblower



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- 3.5 Whistleblower** refers to an employee or group of employees of the Company making, in good faith, a disclosure or filing a complaint regarding illegal or unethical conduct or conduct that violates the CG Rules, or constitutes a Questionable Accounting or Auditing Matter or an offense covered by the Company's Code of Discipline or equivalent policy, or subsequently, about Retaliation.
- 3.6 (Whistleblower) Complaint** refers to a disclosure or a complaint regarding illegal or unethical conduct or conduct that violates the CG Rules, or constitutes a Questionable Accounting or Auditing Matter or an offense covered by the Company's Code of Discipline or equivalent policy.
- 3.7 Witness** refers to an employee of the Company or any company within the PMC Group or any third party other than a whistleblower who participates or cooperates in the investigations or proceedings pertaining to a Complaint.
- 3.8 Retaliation** pertains to an act of reprisal, discrimination, harassment, intimidation or adverse personnel action by Company directors, officers, executives, supervisors, or employees against a Whistleblower or a Witness.

The attached *Annex "1"* presents a list, which is not intended to be exhaustive, of possible instances of Retaliation.

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5.2.2 Sufficiency of the (Whistleblower) Complaint

- a. The (Whistleblower) Complaint must contain at least the following information:
 - i. the full name and position of the person complained of (“respondent”);
 - ii. a specification of the charge or charges;
 - iii. a brief statement of the relevant and material facts, including the approximate time and place of the commission of the act or omission complained of, the persons involved and such other matters that will assist the CGCO to identify the nature of the violation or offense; and
 - iv. any evidence that the Whistleblower may have, including affidavits of Witnesses and/or third parties, including, but not limited to PMC’s suppliers and contractors.

Notwithstanding the provisions of Section 4.2 of this policy, no anonymous (Whistleblower) Complaint shall be entertained unless there are sufficient facts and evidence cited in the CDF that would lead a reasonable man to conclude that the charge is not frivolous and intended to harass the respondent.

- b. Should the CGCO find the (Whistleblower) Complaint insufficient because of the Whistleblower’s failure to provide sufficient information under items (i) to (iv) above, the CGCO shall advise the Whistleblower, if he is identified or can be contacted in accordance with Section 4.2, that such insufficiency may constrain

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the CGCO to close the case and not take further action on the (Whistleblower) Complaint as the lack of information prevents the proper conduct of investigation.

5.2.3 Referral to the AIU

a. Should the CGO find the (Whistleblower) Complaint sufficient in form and substance, it shall refer the (Whistleblower) Complaint to any of the AIU for handling and further investigation:

- i. Internal Audit – for violations of Questionable Accounting or Auditing Matters; or
- ii. Human Resources Department – for offenses covered under the Company’s Code of Discipline or equivalent policy, which do not constitute a Questionable Accounting or Auditing Matter or a violation of the CG Rules.

The CGO shall be the AIU if such (Whistleblower) Complaint pertains to any violation of the CG Rules.

An ad hoc AIU or committee may also be constituted if the subject or respondent is a member of the AIU herein identified [e.g., the (Whistleblower) Complaint pertains to a Questionable Accounting or Auditing Matter and the subject or respondent is a member of the Internal Audit, or the (Whistleblower) Complaint involves an offense covered by the Company’s Code of Discipline or equivalent policy and the subject or respondent is a member of HR]. If the (Whistleblower) Complaint involves a violation of the CG Rules and the subject or respondent is a member of the CGO, the (Whistleblower) Complaint must be processed in accordance with Section 5.10.1 of this Policy.

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The AIU or ad hoc AIU/committee may likewise consult, as it deems necessary, with Legal or other business and support service units in the course of its investigation.

b. If the Whistleblower is identified or can be contacted in accordance with Section 4.2, the AIU will acknowledge receipt of the (Whistleblower) Complaint and advise the Whistleblower in writing about the referral of the (Whistleblower) Complaint to the AIU.

c. A withdrawal of the (Whistleblower) Complaint shall not preclude the AIU from proceeding with the investigation of the case if there are sufficient evidence to warrant further investigation. The withdrawal of the Complaint must also be looked into and dealt with separately as warranted.

d. In the event that the CGO receives a (Whistleblower) Complaint involving a Subsidiary's employee, the CGO shall refer the (Whistleblower) Complaint to the counterpart AIU of that Subsidiary or, in the absence of such, to the relevant Officer authorized or designated to handle (Whistleblower) Complaints (e.g., President/CEO, Internal Audit, HR, etc.). In this case, compliance with the requirements of due process (affording the respondent an opportunity to be informed of the particular act constituting the offense or infraction imputed to him, to answer the charges against him, and to be heard and to defend himself) and implementation of the disciplinary action shall still be the primary responsibility of the Subsidiary.

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5.3 Fact-finding Investigation, Conclusion and Reporting

The following policy and procedures shall likewise apply to the AIU or to ad hoc AIU/committee that may be constituted pursuant to Section 5.2.3(a).

5.3.1 Where applicable, the AIU or the ad hoc AIU/committee may adopt the procedure in implementing disciplinary action in the Code of Discipline or equivalent policy. Otherwise, it shall adopt comprehensive policies and procedures for the proper handling, investigation, resolution and reporting of all (Whistleblower) Complaints referred to it. The AIU shall ensure that the investigation is conducted in accordance with existing laws, regulations, applicable Company policies and procedures, and due process.

5.3.2 The following factors shall be considered by the AIU in the handling of a (Whistleblower) Complaint covering matters within the scope of this Policy.

- a. the gravity and relevance of the allegation(s) and issue(s) raised;
- b. the probability that the allegation(s) or issue(s) raised are true;
- c. the significance of details and evidence submitted; and
- d. the possible sources of additional evidence, including testimonies or affidavits of third parties, including, but not limited to, PMC's suppliers and contractors.

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5.3.3 The AIU shall determine whether the (Whistleblower) Complaint:

a. Will not be pursued – If despite efforts to obtain additional information, the AIU should still find the (Whistleblower) Complaint insufficient for further action, the AIU shall so recommend to the CGCO who, in turn, shall advise the Whistleblower, if he is identified or can be contacted in accordance with Section 4.2, in writing or such finding and the basis thereof.

b. Needs further investigation – The Whistleblower, if he is identified or can be contacted in accordance with Section 4.2, shall be notified that an investigation will be conducted and the report of the findings will be provided to the CGO.

5.3.4 Upon completion of the investigation, the AIU shall submit to the CGO a written report on the findings, including a summary of the evidence gathered and a conclusion as to whether or not the (Whistleblower) Complaint is substantiated.

5.3.5 If the (Whistleblower) Complaint is determined to be substantiated, the CGO shall issue a report to the immediate superior of the respondent, for the immediate superior's appropriate action. The name of the respondent shall not be disclosed or reported to anyone who does not have the need to know it while the investigation is pending. The immediate superior of the respondent shall follow the procedures laid down in the Code of Discipline or equivalent policy specifically in terms of informing the

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5.3.1 Where applicable, the AIU or the ad hoc AIU/committee may adopt the procedure in implementing disciplinary action in the Code of Discipline or equivalent policy. Otherwise, it shall adopt comprehensive policies and procedures for the proper handling, investigation, resolution and reporting of all (Whistleblower) Complaints referred to it. The AIU shall ensure that the investigation is conducted in accordance with existing laws, regulations, applicable Company policies and procedures, and due process.

5.3.2 The following factors shall be considered by the AIU in the handling of a (Whistleblower) Complaint covering matters within the scope of this Policy.

- a. the gravity and relevance of the allegation(s) and issue(s) raised;
- b. the probability that the allegation(s) or issue(s) raised are true;
- c. the significance of details and evidence submitted; and
- d. the possible sources of additional evidence, including testimonies or affidavits of third parties, including, but not limited to, PMC's suppliers and contractors.

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The AIU or ad hoc AIU/committee may likewise consult, as it deems necessary, with Legal or other business and support service units in the course of its investigation.

b. If the Whistleblower is identified or can be contacted in accordance with Section 4.2, the AIU will acknowledge receipt of the (Whistleblower) Complaint and advise the Whistleblower in writing about the referral of the (Whistleblower) Complaint to the AIU.

c. A withdrawal of the (Whistleblower) Complaint shall not preclude the AIU from proceeding with the investigation of the case if there are sufficient evidence to warrant further investigation. The withdrawal of the Complaint must also be looked into and dealt with separately as warranted.

d. In the event that the CGO receives a (Whistleblower) Complaint involving a Subsidiary's employee, the CGO shall refer the (Whistleblower) Complaint to the counterpart AIU of that Subsidiary or, in the absence of such, to the relevant Officer authorized or designated to handle (Whistleblower) Complaints (e.g., President/CEO, Internal Audit, HR, etc.). In this case, compliance with the requirements of due process (affording the respondent an opportunity to be informed of the particular act constituting the offense or infraction imputed to him, to answer the charges against him, and to be heard and to defend himself) and implementation of the disciplinary action shall still be the primary responsibility of the Subsidiary.

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the CGCO to close the case and not take further action on the (Whistleblower) Complaint as the lack of information prevents the proper conduct of investigation.

5.2.3 Referral to the AIU

a. Should the CGO find the (Whistleblower) Complaint sufficient in form and substance, it shall refer the (Whistleblower) Complaint to any of the AIU for handling and further investigation:

- i. Internal Audit – for violations of Questionable Accounting or Auditing Matters; or
- ii. Human Resources Department – for offenses covered under the Company’s Code of Discipline or equivalent policy, which do not constitute a Questionable Accounting or Auditing Matter or a violation of the CG Rules.

The CGO shall be the AIU if such (Whistleblower) Complaint pertains to any violation of the CG Rules.

An ad hoc AIU or committee may also be constituted if the subject or respondent is a member of the AIU herein identified [e.g., the (Whistleblower) Complaint pertains to a Questionable Accounting or Auditing Matter and the subject or respondent is a member of the Internal Audit, or the (Whistleblower) Complaint involves an offense covered by the Company’s Code of Discipline or equivalent policy and the subject or respondent is a member of HR]. If the (Whistleblower) Complaint involves a violation of the CG Rules and the subject or respondent is a member of the CGO, the (Whistleblower) Complaint must be processed in accordance with Section 5.10.1 of this Policy.

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polices, and applicable laws, rules and regulations relating to corporate governance, as may be issued from time to time by the Company or any governmental or regulatory body having jurisdiction.

3.2 Questionable Accounting Matters refers to any serious violation of generally accepted accounting principles and standards applicable to the Company which shall include, but are not limited to:

- fraudulent or deliberate error in the preparation of the financial statements of the Company;
- fraudulent or deliberate error in the maintenance of the financial records of the Company;
- misrepresentation or deliberate false statement by any officer or employee regarding a significant matter contained in the financial records, financial reports or external or internal audit reports of the Company

3.3 Questionable Auditing Matters refers to any serious violation or override of the Company's internal controls.

3.4 Whistleblowing refers to the disclosure or filing of a complaint by an employee or a group of employees of the Company who, in good faith, believes that the Company or any of his/their colleagues is or has engaged in an improper course of illegal or unethical conduct or conduct that violates the CG Rules, or constitutes a Questionable Accounting or Auditing Matter or an offense covered by the Company's Code of Discipline or equivalent policy. Such employee or group of employees must be able to disclose such conduct free from fear of intimidation or reprisal.



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- Cooperate in the investigation, including making available for examination all necessary records and information.

5.5.4 Immediate Superior of Respondent

- Inform the respondent in writing of the particular act constituting the offense or infraction imputed to him, require him to answer such charges, and afford him the opportunity to be heard and to defend himself, in accordance with Company's Code of Discipline or equivalent policy.
- Inform the respondent in writing of the results of the investigation and/or disposition of the (Whistleblower) Complaint filed against him.
- Implement the appropriate disciplinary action.
- Report to the CGO and HRMDG his decision and/or the imposition of the disciplinary action on respondent in accordance with the Company's Code of Discipline or equivalent policy.
- Ensure that in case the respondent resigns pending the completion of the investigation or final resolution of the case against him, he shall inform the respondent that the resignation shall be without prejudice to the results of the investigation or the final resolution of the case, and that any benefits due him, if any, shall be withheld pending final resolution of the case.

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Complaints on Retaliation

5.6 Submission of Complaint on Retaliation

- 5.6.1 If a Whistleblower or a Witness believes that he has been retaliated upon for filing a (Whistleblower) Complaint or for participating or cooperating in an investigation under this Policy, he may file a written complaint with the CGO.
- 5.6.2 The complaint on Retaliation may be filed within three (3) months from the occurrence of the last alleged act or incident of Retaliation.
- 5.6.3 Complaints on Retaliation should be made in writing and submitted in a sealed envelope marked "Confidential" to:

Corporate Governance Office
3rd Floor Philex Building
27 Brixton Street, Pasig City

- 5.6.4 Written complaints on Retaliation should indicate the following:

- name, designation, work address and phone number of the complainant;
- name and title of the director, officer, executive, supervisor or employee alleged to have retaliated or to be involved in the Retaliation against the complainant;
- brief description and date of the (Whistleblower) Complaint to which the alleged Retaliation relates;

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- brief description and details of the alleged Retaliation (date/time, place and manner);
- relevant evidence to prove the Retaliation.

5.7 Preliminary Evaluation, Investigation and Reporting

5.7.1 CGO shall receive and conduct the preliminary evaluation of the complaint on Retaliation to determine whether the information set forth under Section 5.6.4 are indicated and the following criteria are present:

- 5.7.1.1 meets the definition of Retaliation;
- 5.7.1.2 indicates serious implications of the alleged Retaliation to the complainant; and
- 5.7.1.3 there is probable cause to warrant further investigation.

5.7.2 After the preliminary evaluation and after it is determined that the complaint on Retaliation necessitates further investigation, it shall be endorsed to the AIU for the conduct of an investigation, which shall include but not be limited to:

- conducting interviews and seeking sworn statements from the complainant;
- conducting interviews and seeking sworn statements from witnesses as appropriate;
- maintaining files and records of complaints on Retaliation and the pertinent investigation

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reports, and the outcome of recommendations consistent with confidentiality requirements.

5.7.3 In case the complaint on Retaliation is determined to be false or without basis, the AIU shall advise the CGO who, in turn, shall inform the complainant that the case is deemed closed and the reasons for such.

5.7.4 In case there is a prima facie evidence of Retaliation, the AIU shall issue a report to the CGO. The CGO shall then issue a report to the immediate superior of the respondent, for the immediate superior's appropriate action. The name of the respondent shall not be disclosed or reported to anyone who does not have the need to know it while the investigation is pending. The immediate superior of the respondent shall observe the procedures provided in the Company's Code of Discipline or equivalent policy specifically in terms of informing the respondent in writing the particular retaliatory acts imputed to him, requiring him to answer such charges, and affording him the opportunity to be heard.

5.7.5 Investigation and determination of appropriate disciplinary action against employees found to have participated in retaliatory acts shall be made by the immediate superior, in accordance with Company's Code of Discipline or equivalent policy.

5.7.6 In the event that the employee under investigation resigns from service pending the completion of the investigation, or the final resolution of the case against him, his resignation shall be without prejudice to the results of the investigation or the final resolution of the case against him. Any benefits

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due him, if any, shall be withheld pending final resolution of the case.

5.8 Case Monitoring

5.8.1 All complaints on Retaliation received by CGO shall have a Retaliation Complaint Form (RCF) (see *Annex 3*) and assigned a corresponding case number for monitoring purposes.

5.8.2 CGO shall maintain a log of all complaints on Retaliation received and shall submit a monthly report to the Board on:

- all complaints on Retaliation received;
- all complaints on Retaliation referred to HR;
- the status of outstanding complaints on Retaliation
- the final disposition or resolution of complaints on Retaliation.

5.8.3 The HR Group shall maintain and conduct a complete case file for all complaints on Retaliation. Every case file shall include:

- the covering RCF;
- all investigation reports;
- all related correspondence or memoranda;
- all documentary evidence gathered;



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- list of other physical evidence gathered and their location;
- other relevant documents and records relating to the case.

Status of complaints on Retaliation must be reported monthly to the CGO.

5.8.4 Case files and records shall be kept by HR and shall be retained for a period of five (5) years from the date of resolution or closing of each case.

5.9 Responsibilities

5.9.1 CGO

- Receive, conduct a review of the complaints on Retaliation, in accordance with Section 5.7.1, and endorse the complaints on Retaliation to and coordinate with the AIU for further handling and investigation.
- Monitor and maintain a log of the receipt, disposition and resolution of all complaints on Retaliation and ensure the appropriate monthly reporting thereof to the Board.

5.9.2 AIU

- Facilitate and complete within the prescribed period the investigation of Retaliation incidental to the (Whistleblower) Complaints made or filed pursuant to Section 5.

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- Ensure the appropriate monthly reporting thereof to the CGO.

5.9.3 Employees / Witnesses

- Cooperate in the investigation of complaints on Retaliation.

5.9.4 Immediate Superior of Respondent

- Inform the respondent in writing of the particular retaliatory acts imputed to him, require him to answer such charges, and afford him the opportunity to be heard and to defend himself, in accordance with Company policies and procedures.
- Inform the respondent in writing of the results of the investigation and/or disposition of the (Retaliation) Complaint filed against him.
- Implement the appropriate disciplinary action.
- Report to CGO the resolution of the Complaint and/or imposition of the disciplinary action on the respondent, if the case is sustained, in accordance with the applicable Company policies and procedures.
- Ensure that in case the respondent resigns pending the completion of the investigation or final resolution of the case against him, he shall inform the respondent that the resignation shall be without prejudice to the results of the investigation or the final resolution of the case. Any benefits due him, if any, shall be withheld pending final resolution of the case.

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5.10 Complaints cognizable by the Board

5.10.1 Complaints involving the Compliance Officer

5.10.1.1 In the event that the Compliance Officer is the subject or one of the subjects of the (Whistleblower) Complaint or complaint on Retaliation, the Whistleblower shall file his complaint directly with the Chairman of the Board.

5.10.1.2 The Chairman of the Board may deputize any of the AIUs mentioned in this Policy (other than the CGO), appropriate sub-committees, business units in the Company or independent third parties (“ad hoc AIU”) to assist in the investigation of the (Whistleblower) Complaint or complaint on Retaliation, subject to the Board’s control and supervision.

5.10.1.3 A (Whistleblower) Complaint or complaint on Retaliation involving the Compliance Officer shall be investigated by the deputized ad hoc AIU, subject to the Board’s control and supervision.

5.10.1.4 If the (Whistleblower) Complaint or complaint on Retaliation is determined to be substantiated, the findings of the deputized ad hoc AIU shall be forwarded to the Board for further evaluation and imposition of the appropriate disciplinary action.

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5.10.2 Complaints involving a director or advisor of the PMC Board of Directors

5.10.2.1 A (Whistleblower) Complaint or complaint on Retaliation involving a director or advisor of the PMC Board of Directors will be referred to the Chairman of the Board for appropriate action. The Board may deputize any ad hoc AIU, including the CGO (as Secretariat of the Board) and HR Group (for complaints on Retaliation), to assist in the investigation of these complaints, subject to the Chairman's control and supervision.

5.10.2.2 The findings of the ad hoc AIU deputized by the Board shall be forwarded to the Chairman for further evaluation and recommendation to the PMC Board of Directors.

5.10.3 The procedures and responsibilities outlined in Section 5 shall, where relevant, likewise apply to any ad hoc AIU deputized by the Chairman of the Board. The ad hoc AIU deputized shall assign a case number, maintain a log of all complaints, maintain and control a complete case file of all complaints received by it, and submit a monthly report to the CGO [for both (Whistleblower) Complaints and complaint on Retaliation] and to the Audit Committee [for (Whistleblower) Complaints], in accordance with Sections 5.4 and 5.8.

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6.0 APPEAL / REQUEST FOR RECONSIDERATION

An employee complained of may appeal from a decision of his immediate superior by filing a motion for reconsideration within ten (10) days from receipt of the copy of the decision. Should the motion be denied, an appeal may be filed with the Office of the President within ten (10) days from receipt of the order denying the motion.

A director or advisor of the PMC Board of Directors may file an appeal with the PMC Board of Directors.

The appeal must be resolved within thirty (30) days from receipt of the appeal, unless extended on justifiable grounds.

7.0 PROCESS FLOWS ON (WHISTLEBLOWER) COMPLAINTS AND COMPLAINTS ON RETALIATION

The prescribed procedures (see *Attachments A and B*) shall cover the end-to-end (1) handling of (Whistleblower) Complaints and (2) handling of complaints on Retaliation. Both processes shall require the management and execution of tasks and activities among identified responsible units within the Company that would ensure swift resolution of such complaints. Please refer to the attached process flow-charts.

8.0 PERIOD WITHIN WHICH TO RESOLVE COMPLAINTS

Unless a longer or shorter period is provided in existing Company personnel policies, systems and practice, all cases which are within the scope of this Policy must be resolved within thirty (30) days from the time all the relevant documents necessary for the resolution of the case have been submitted to the AIU. However, should the complexity and/or circumstances of the case warrant a longer time for investigation or resolution thereof, the AIU shall notify in writing the CGO of such fact, citing therein the justification for the extension. Such written notification shall be made not later than fifteen (15) days before the expiration of the period within which to resolve the complaint.

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The 30-day period herein prescribed shall not include the period of filing and resolving an appeal, which is provided in Section 6 of this Policy.

9.0 WEIGHT AND SUFFICIENCY OF EVIDENCE

Similar to cases filed before administrative or quasi-judicial bodies, a fact under this Policy may be deemed established if it is supported by substantial evidence, or that amount of relevant evidence which a reasonable mind might accept as adequate to justify a conclusion.

10.0 EFFECTIVITY

This Policy takes effect immediately.

<i>Prepared By:</i>	<i>Reviewed & Endorsed By:</i>	<i>Approved By:</i>
(Original Signed) Jeffrey R. Balmores Manager/CG Date: _____	(Original Signed) Danny Y. Yu CG Compliance Officer Date: _____	(Original Signed) Eulalio B. Austin, Jr. President & CEO Date: _____

APPROVED BY THE BOARD OF DIRECTORS

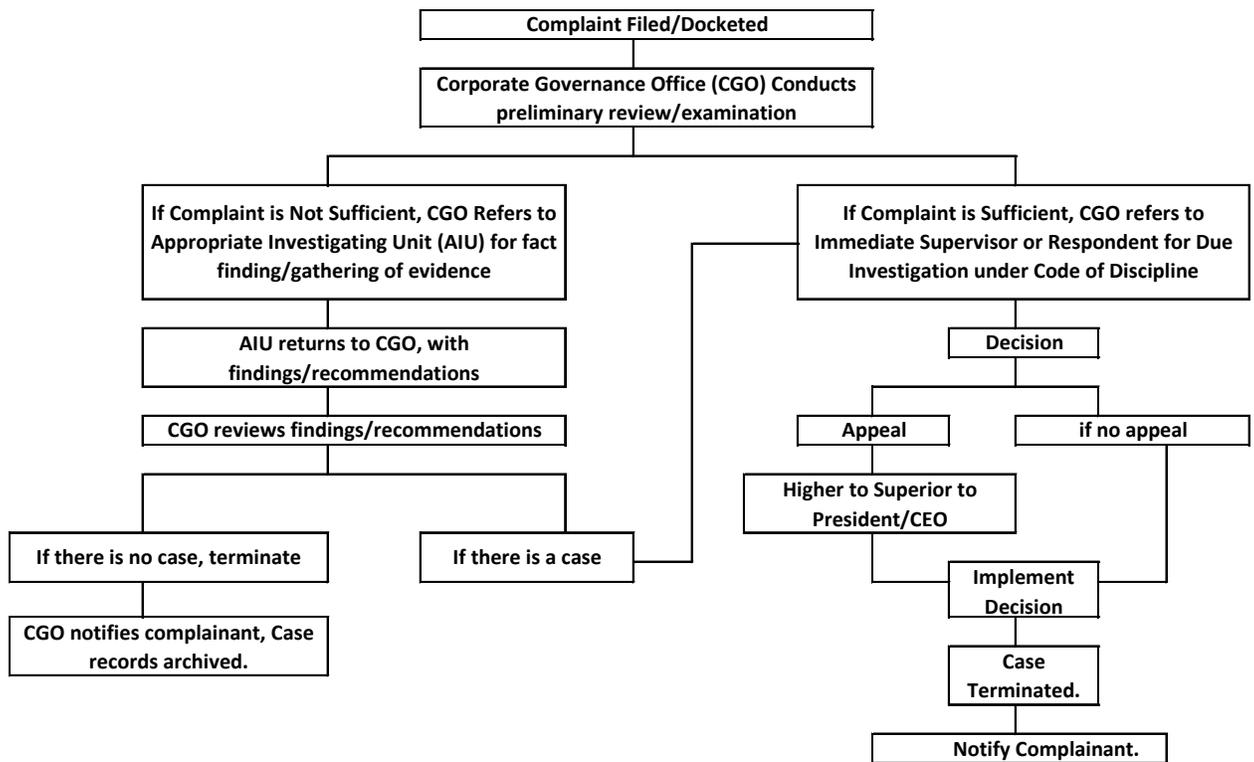
ON FEBRUARY 26, 2014

Title:

WHISTLE BLOWING POLICY

ATTACHMENT "A"

PROCESS FLOW* IN THE INVESTIGATION OF WHISTLEBLOWING COMPLAINTS UNDER SECTION 5



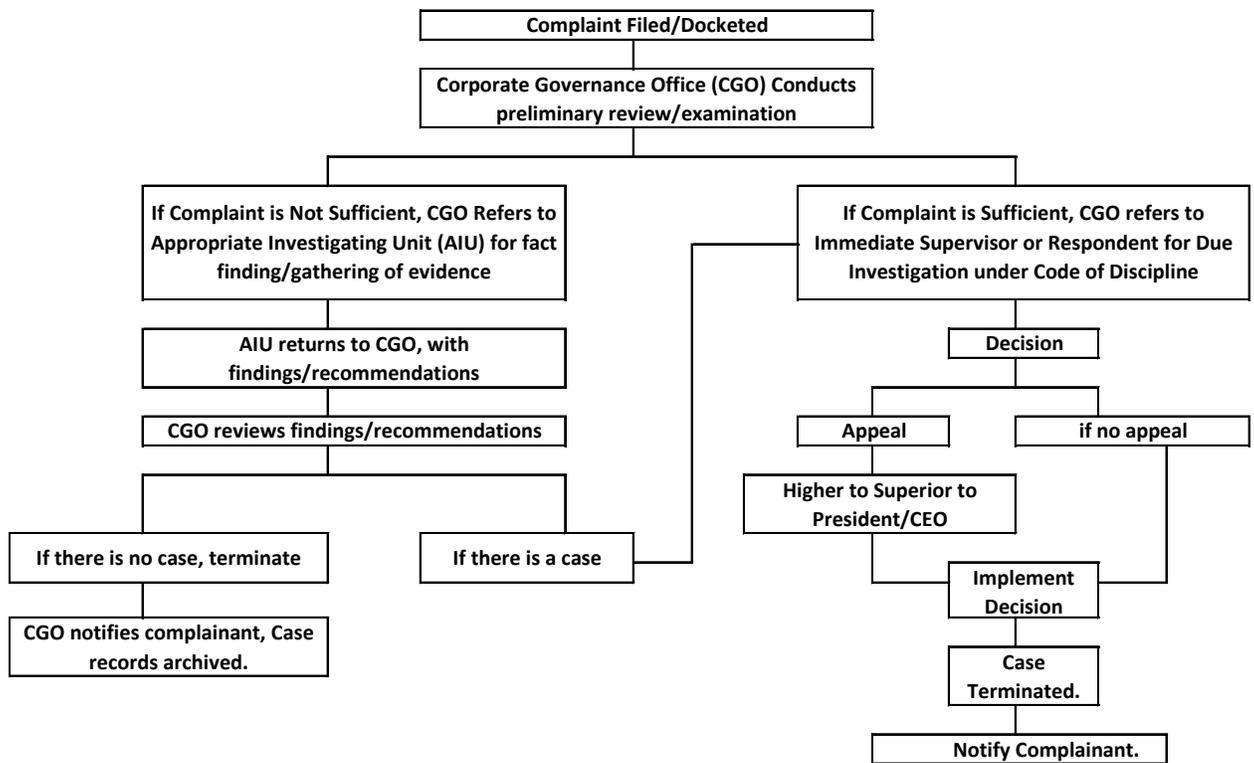
****Please refer to Policy for specific handling details.***

Title:

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ATTACHMENT "B"

PROCESS FLOW* IN THE INVESTIGATION OF RETALIATION COMPLAINTS UNDER SECTION 5.6



****Please refer to Policy for specific handling details.***

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EXHIBIT "A"

VIOLATION OF CG RULES – EXAMPLES

- Granting a supplier undue favors.
- Collusion with a supplier to ensure award of a contract.
- Unauthorized disclosure of confidential information.
- Knowingly destroying company files which are the subject of government investigation.
- Failure to disclose related party transactions.
- Solicitation of money or gifts from contractors of the Company.
- Violation of the Conflict of Interest Policy

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EXHIBIT "B"

QUESTIONABLE ACCOUNTING MATTERS – EXAMPLES

- Significant overstatement or understatement of account balances.
- Non-recording of transactions in a complete or timely manner.
- Gross violation of generally accepted accounting principle(s).
- Misclassification of accounts
- Inaccurate or non-disclosure of significant information relevant to proper interpretation of the financial statements.
- Lack of underlying transactions to support accounting entries.
- Lack of proper documents to support accounting entries.

QUESTIONABLE AUDITING MATTERS – EXAMPLES

- Misappropriation of funds.
- Misuse or abuse of Company assets and facilities.
- Circumvention of or disregard of policies.
- Circumvention or violation of approving and signing authorities.
- Acts of transactions grossly disadvantageous to the Company.

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EXHIBIT "C"

OFFENSES COVERED BY THE COMPANY'S CODE OF DISCIPLINE OR EQUIVALENT POLICIES – EXAMPLES

- Gambling or engaging in lottery within Company premises or on Company time.
- Theft of Company property.
- Use or possession of prohibited drugs.
- Gross negligence in the performance of assigned duties.
- Attempting any violence against co-employees.

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EXHIBIT “D”

LIST OF PMC’s OPERATING SUBSIDIARIES

(As of 31 December 2013)

- Philex Petroleum Corporation
- Lascogon Mining Corporation
- Philex Gold Holdings, Inc.
- Philex Gold Philippines, Inc.
- Silangan Mindanao Exploration Co. Inc.
- Silangan Mindanao Mining Co. Inc.
- Philex Land Inc.

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ANNEX "1"

EXAMPLES OF RETALIATION

- Giving the Whistleblower or Witness a baseless low or lower rating in his performance evaluation in grave abuse of discretion and with complete disregard of the performance appraisal systems or procedures of the Company;
- Sudden involuntary reassignment to a position with demonstrably less responsibility or status as the one held prior to the reassignment during the period of filing the (Whistleblower) Complaint and the investigation thereof or a proximate period thereafter, except if it is pursuant to and implemented in accordance with the Company's policy on reassignments or on approved reorganization or redeployment plan;
- Unjustified or bad faith exclusion of the Whistleblower or Witness from promotion, training, or benefits that are generally available to all employees of the same level and category and performance level;
- Unjust vexation or hostile treatment by co-workers or superior, other than for causes attributable to or personal to the Whistleblower or Witness [except the filing of (Whistleblower) Complaint or participation as Witness];
- Any discriminatory or unjustified material adverse change in the terms and conditions of employment of the Whistleblower or Witness.



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WHISTLE BLOWING POLICY

ANNEX "2" (WB Form) & ANNEX "3"(Retaliation Form)

Strictly Confidential

<p>PHILEX MINING CORPORATION</p> <p>(WHISTLEBLOWER) COMPLAINT/ DISCLOSURE FORM</p> <p>ON VIOLATIONS OF CORPORATE GOVERNANCE RULES, QUESTIONABLE ACCOUNTING OR AUDITING MATTERS, AND VIOLATIONS OR OFFENSES COVERED BY THE COMPANY'S TABLE OF PENALTIES</p>
--

NOTE: PLEASE PROVIDE DEATILED INFORMATION AS MUCH AS POSSIBLE
*(Items with an * are required fields)*

COMPLAINANT'S PERSONAL CIRCUMSTANCES			
NAME		OFFICE ADDRESS	
SIGNATURE/DATE	EMPLOYEE NO.	EMAIL ADDRESS	
COMPANY/DIVISION/EXCHANGE	DESIGNATION	PHONE NO(S).	FAX NO(S).

INFORMATION CONCERNING THE (WHISTLEBLOWER) COMPLAINTS

What is the major issue involved?(Check as many as applicable.)*

VIOLATION OF CORPORATE GOVERNANCE RULES (CG Rules)

- | | | |
|--|--|--|
| <input type="checkbox"/> Manual on Corporate Governance | <input type="checkbox"/> Gifts, Entertainment & Sponsored Travel | <input type="checkbox"/> Other CG Rule: _____ |
| <input type="checkbox"/> Code of Business Conduct & Ethics | <input type="checkbox"/> Supplier/Contractor Relations Policy | <input type="checkbox"/> Other Unethical Area: _____ |
| <input type="checkbox"/> Conflict of Interest Policy | | |

FRAUD CLASIIFICATION

- | | | |
|--|--|---------------------------------|
| <input type="checkbox"/> Financial/ Accounting | <input type="checkbox"/> Business Operations | <input type="checkbox"/> Others |
| <input type="checkbox"/> Information Systems | <input type="checkbox"/> Procurement, Properties and Project | |
| <input type="checkbox"/> Revenue-related | <input type="checkbox"/> Subsidiaries and Affiliates | |

QUESTIONABLE ACCOUNTING MATTER

- Significant overstatement or understatement of account balances
- Non-recording of transaction in a complete or timely manner
- Gross violation of generally accepted accounting principle(s)
- Misclassification of accounts
- Lack of underlying transactions to support accounting entries
- Lack of proper documents to support accounting entries
- Inaccurate or non-disclosure of significant information relevant to proper interpretation of financial state
- Conflict of Interest Policy

QUESTIONABLE AUDITING MATTER

- Misappropriation of funds
- Misuse or abuse of Company assets and facilities
- Circumvention of or disregard of policies
- Circumvention or violation of approving and signing authorities
- Acts or transactions grossly disadvatangeous to the Company
- Others (Please specify)



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WHISTLE BLOWING POLICY

VIOLATION OR OFFENSE COVERED BY THE CODE OF DISCIPLINE				
<input type="checkbox"/> Misconduct		<input type="checkbox"/> Breach of Trust		<input type="checkbox"/> Analogous Cases
<input type="checkbox"/> Willful disobedience / Violation of Rules		<input type="checkbox"/> Commission of an Offense		
<input type="checkbox"/> Neglect of duty		<input type="checkbox"/> Sexual Harassment		
What happened?*(Please attach additional sheet if necessary)			What other evidence, including physical evidence or documentation exist to corroborate your disclosures?*(Please attach additional sheet if necessary)	
How did you know about the subject of the complaint(s)?			SUPPORTING DOCUMENTS	
<input type="checkbox"/> Personal or direct knowledge <input type="checkbox"/> Others have told me about it <input type="checkbox"/> White paper <input type="checkbox"/> Others (Please specify)			<input type="checkbox"/> No documents attached <input type="checkbox"/> With documents attached	
			DOCUMENTS ATTACHED	
			NO. OF PAGES	
Who is/ are the person(s) involved? (Respondent/s)* (Please attach additional sheets if necessary)				
NAME*	DESIGNATION*	COMPANY*	DIVISION/GROUP/DEPT.	NATURE OF INVOLVEMENT*
Who is/ are the possible Witness(es)* (Please attach additional sheets if necessary)				
NAME*	DESIGNATION*	COMPANY*	DIVISION/GROUP/DEPT.	NATURE OF INVOLVEMENT*
When did the incident take place*? Date/Time/Frequency*			Since when has this been occurring?	
Where did the incident occur*?			Location of Evidence:	
How much is involved? Please provide an approximate figure.				
Why are you making this disclosure?(Please attached additional sheet if necessary)				
DISCLOSURE HISTORY			PLEASE ADVISE ON HOW WE MAY CONTACT YOU	
Was the disclosure previously reported to management level? If yes, to whom was it reported?			COMPLAINT WILL:	CGO IS BEING REQUESTED TO PROVIDE FEEDBACK:
			<input type="checkbox"/> E-MAIL / FAX/ CALL AGAIN <input type="checkbox"/> VISIT CGO <input type="checkbox"/> OTHERS (SPECIFY)	<input type="checkbox"/> BY PHONE <input type="checkbox"/> THRU E-MAIL <input type="checkbox"/> OTHERS (SPECIFY)
What do you think wa the reson for lack of immediate action?				



Title:

WHISTLE BLOWING POLICY

FOR CGO USE ONLY				
MODE OF (WHISTLEBLOWER) COMPLAINT SUBMISSION				CASE NO.
WRITTEN COMPLAINT <input type="checkbox"/> E-mail <input type="checkbox"/> Fax <input type="checkbox"/> P.O.BOX				(RECEIPT NO. -EEEE-LL-MM-YY-TT)
VERBAL COMPLAINT <input type="checkbox"/> BY PHONE <input type="checkbox"/> IN PERSON				
RECORDING: <input type="checkbox"/> TAPE RECORDED <input type="checkbox"/> NON TAPE-RECORDED		TIME: START _____ END _____		(CGO Assignment No. -INV-REFDATE)
SIGNATURE OVER PRINTED NAME				
COMPLAINT RECEIVED BY: NAME DESIGNATION DATE		CONFORME: NAME OF INTERVIEWEE (IF MADE IN PERSON) DESIGNATION DATE		REVIEWED BY: NAME DESIGNATION DATE
PRELIMINARY EVALUATION				
WAS THE COMPLAINANT ADVISED OF HIS RIGHTS AND OBLIGATIONS UNDER THIS ADMINISTRATIVE ORDER? <input type="checkbox"/> YES <input type="checkbox"/> NO				
ABOUT (1) VIOLATIONS OF CG RULES; (2) QUESTIONABLE ACCOUNTING OR AUDITING MATTERS; (3) VIOLATIONS AND OFFENSES COVERED BY THE TABLE OF PENALTIES? <input type="checkbox"/> YES <input type="checkbox"/> NO				
ACTION TAKEN		DATES	REMARKS	
<input type="checkbox"/> FOR INQUIRY/ INVESTIGATION				
<input type="checkbox"/> FOR REFERRAL TO OTHER UNITS:				
<input type="checkbox"/> AAG <input type="checkbox"/> GNC <input type="checkbox"/> HRG <input type="checkbox"/> Subsidiary _____ <input type="checkbox"/> SECURITY <input type="checkbox"/> OTHERS _____				
<input type="checkbox"/> NO FURTHER ACTIONS TO BE TAKEN; CASE CLOSED.				
DISPOSITION OF THE CASE				
CASE CLOSED				
<input type="checkbox"/> YES		DATE		
<input type="checkbox"/> NO		REFERRED TO		
		DATE		
SIGNATURE OVER PRINTED NAME				
PRELIMINARY EVALUATION		INQUIRY	INVESTIGATION	DISPOSITION OF THE CASE
CONDUCTED BY	REVIEWED BY:	FOR INQUIRY BY:	FOR INVESTIGATION BY:	APPROVED BY:
NAME	NAME	NAME	NAME	NAME
DESIGNATION	DESIGNATION	DESIGNATION	DESIGNATION	DESIGNATION
DATE:	DATE:	DATE:	DATE:	DATE:



Title:

WHISTLE BLOWING POLICY

FOR CGO USE ONLY				
MODE OF COMPLAINT SUBMISSION				CASE NO.
WRITTEN COMPLAINT	<input type="checkbox"/> E-mail	<input type="checkbox"/> Fax	<input type="checkbox"/> P.O.BOX	(RECEIPT NO. -EEEE-LL-MM-YY-TT)
VERBAL COMPLAINT	<input type="checkbox"/> BY PHONE	<input type="checkbox"/> IN PERSON		
RECORDING:	TIME:			(CGO Assignment No. -INV-REFDATE)
<input type="checkbox"/> TAPE RECORDED				
<input type="checkbox"/> NON TAPE-RECORDED	START	END		
DETAILS OF INITIAL INQUIRY WITH COMPLAINANT				
PRELIMINARY EVALUATION				
WAS THE COMPLAINANT ADVISED OF HIS RIGHTS AND OBLIGATIONS UNDER THIS ADMINISTRATIVE ORDER?				
<input type="checkbox"/> YES <input type="checkbox"/> NO				
Meets the definition of Retaliation? <input type="checkbox"/> YES <input type="checkbox"/> NO				
ACTION TAKEN			REMARKS	
<input type="checkbox"/> For investigation				
<input type="checkbox"/> For referral to HR Groups/other units/Subsidiary				
<input type="checkbox"/> No further actions to be taken, case closed.				
DISPOSITION OF THE CASE				
CASE CLOSED				
<input type="checkbox"/> YES		DATE		
<input type="checkbox"/> NO		REFERRED TO		
		DATE		
SIGNATURE OVER PRINTED NAME				
PRELIMINARY EVALUATION		INQUIRY	INVESTIGATION	DISPOSITION OF THE CASE
CONDUCTED BY	REVIEWED BY:	FOR INQUIRY BY:	FOR INVESTIGATION BY:	APPROVED BY:
NAME	NAME	NAME	NAME	NAME
DESIGNATION	DESIGNATION	DESIGNATION	DESIGNATION	DESIGNATION
DATE:	DATE:	DATE:	DATE:	DATE: