

**Philex Mining Corporation
Information Technology (IT) Governance Framework**

I. Introduction

Philex Mining Corporation’s (PMC or the “Company”) Information Technology (IT) Governance Framework sets forth the responsibilities and accountabilities for an effective IT governance process to develop a responsible IT culture and optimal IT use within the Company.

II. Authority, Purpose, Duties and Responsibilities

1. Authority

The Board has delegated the responsibility for the implementation of the Company’s IT governance to the Management, via the Company’s IT Department and the Management Risk Oversight Committee (MROC), and through the Board Risk Oversight Committee (BROC).

2. Purpose

The primary purpose of this document is to ensure that the Company’s IT Department implements a sound, efficient, and safe IT Program (the “Program”). The MROC, the BROC and the PMC Board shall assess the effectiveness of such Program based on specific objectives set forth and shall identify, mitigate, and manage potential IT-related risks to operations and the organization as a whole.

3. Key Responsibilities

The Company’s IT Governance Framework is applied at all three levels of the organization: strategic, tactical, and operational. The responsibilities attached to each of these levels are indicated below:

LEVEL	RESPONSIBILITY
Strategic <i>(Board and Board Risk Oversight Committee)</i>	Evaluate, Direct, Monitor, and Mitigate Risks
Tactical <i>(Management Risk Oversight Committee)</i>	Plan, Check, Supervise
Operational <i>(IT Department/Staff)</i>	Detailed Activities

A. IT Department

The Company’s IT Department should implement a sound, efficient, and safe IT platform aligned with the COBIT (Control Objectives for Information and Related Technologies) principles and in compliance with the Data Privacy Act of 2012, that follows these objectives:

- i. **Strategic alignment**, to focus on ensuring the linkage of business and IT plans, defining, maintaining and validating the IT value proposition, and aligning IT operations with enterprise operations.
- ii. **Value delivery**, to execute the value proposition throughout the delivery cycle, ensuring that IT delivers the promised benefits against the strategy, concentrating on optimizing costs and proving the intrinsic value of IT.
- iii. **Resource management**, to determine the optimal investment in, and the proper management of, critical IT resources: applications, information, infrastructure and people. Key issues relate to the optimization of knowledge and infrastructure.
- iv. **Risk management**, to ensure risk awareness by senior organizational officers, a clear understanding of the enterprise's appetite for risk, understanding of compliance requirements, transparency about the significant risks to the enterprise and embedding of risk management responsibilities into the organization.
- v. **Performance measurement**, to track and monitor strategy implementation, project completion, resource usage, process performance and service delivery, using, for example, balanced scorecards that translate strategy into action to achieve goals measurable beyond conventional accounting.

B. Management Risk Oversight Committee

The MROC shall act as the first level of governance of the Company's IT Program. The MROC shall check and balance the soundness and effectiveness of the Company's IT Program and shall perform the following responsibilities:

- i. Ensure the implementation of a sound, efficient, and safe IT Program, in compliance with the Data Privacy Act, including the defined IT governance structures;
- ii. Receive and act upon the direction of the BROOC relating to IT governance;
- iii. Ensure that an IT internal control framework and IT principles, policies, procedures, and standards are defined and implemented;
- iv. Ensure adequate business resilience arrangements in place for IT disaster recovery;
- v. Ensure that appropriate processes are followed for the identification, assessment and management of IT risks as part of the enterprise-wide risk management framework;
- vi. Ensure compliance with relevant IT laws and related rules, codes and standards;
- vii. Ensure that the corporate sustainability strategy is supported by IT strategies; and,
- viii. Provide a report on IT-related matters to the BROOC to assure the Board that the IT Department's responsibilities have been implemented in terms of the following:
 - Value is derived from IT, measured against IT performance criteria;
 - IT risks are identified and mitigated;
 - IT security and continuity is ensured, including data privacy;
 - IT projects are aligned with corporate objectives;
 - IT costs and major investments are within budget and program;
 - IT strategy and progress are reported; and,
 - IT governance and control is implemented.

C. Board Risk Oversight Committee

The BROC has the following responsibilities in terms of IT governance:

- i. Direct and manage IT by establishing an IT governance framework, embedded in this IT framework;
- ii. Receive and act upon the MROC report to assure the Board that its responsibilities have sufficiently been discharged;
- iii. Obtain appropriate assurance from the Company’s IT Department and the MROC that effective controls are in place in addressing or minimizing IT risks;
- iv. Ensure that IT risks are identified, assessed and mitigated through an IT governance and control framework;
- v. Consider IT as it relates to financial reporting and the going concern of the Company; and,
- vi. Maximize the use of technology to improve audit coverage and efficiency.

D. PMC Board of Directors

The PMC Board, as a collegial body, retains accountability for IT governance through the following responsibilities:

- i. Understand the strategic importance of IT and assume responsibility for the governance of IT; and,
- ii. Receive and act upon Board Level IT reporting received from the BROC.

III. Approval

<i>Endorsed for Board Approval by:</i>	<i>Endorsed for Board Approval by:</i>	<i>Endorsed for Board Approval by:</i>
<i>(Original Signed)</i> _____	<i>(Original Signed)</i> _____	<i>(Original Signed)</i> _____
Danny Y. Yu Chief Risk Officer & Chief Finance Officer	Eulalio B/ Austin, Jr. President & CEO	Oscar J. Hilado Chairman, Board Risk Oversight Committee Chairman
Date: _____	Date: _____	Date: _____

**APPROVED BY THE BOARD OF DIRECTORS
ON June 27, 2018**