



# PHILEX MINING CORPORATION

## Confirmation statement from Philex:

February 24, 2014

**Mr. Graham Pickles**

Chairman of the Audit Committee  
First Pacific Company Limited  
24<sup>th</sup> Floor, Two Exchange Square  
8 Connaught Place  
Hong Kong

Dear Mr. Pickles,

This is to inform you that the Audit Committee of Philex Mining Corporation has conducted a review of the effectiveness of Philex Group's (including its subsidiaries, except Philex Petroleum and its subsidiaries) internal control systems for the period January – December 2013. The review covered all material controls, including financial, operational and compliance controls and risk management functions.

Please refer to the enclosed summary report (Appendix A) for the period January – December 2013 highlighting (a) the major internal control issues and the remedial actions taken; and (b) key enterprise risks identified and the corresponding mitigation measures to address those risks.

Based on our review of the internal audit reports and discussion with the internal auditor, we would like to confirm that the internal controls (including financial, operational and compliance controls) of Philex are adequate and effective.

Based on our evaluation of Philex's ERM process, reviewing the ERM report and interviews with the management of Philex as well as the external auditor, we have assured ourselves that the material risks have been identified, evaluated, managed and reported appropriately.

We have not noticed any material deviation from local as well as Hong Kong Listing Rules requirements, including Continuing Connected Transactions.

We hope that this letter suffice your requirements.

Sincerely yours,

**Oscar J. Hilado**  
Chairman of the Audit Committee  
Philex

**Geraldine B. Ate-oan**  
Head of the Internal Audit Department  
Philex