



Confirmation statement from Philex:

July 27, 2015

Professor Edward K. Y. Chen
Chairman (Acting) of the Audit Committee
First Pacific Company Limited
24th Floor, Two Exchange Square
8 Connaught Place
Hong Kong

Dear Professor Chen,

This is to inform you that the Audit Committee of Philex Mining Corporation (Philex) has conducted a review of the effectiveness of Philex Group's (including its subsidiaries, major associated companies and joint ventures, except Philex Petroleum) internal control systems for the six-month period ended 30 June 2015. The review covered all material controls, including financial, operational and compliance controls and risk management functions.

Please refer to the attached summary report (Appendix A) for the six-month period ended 30 June 2015 highlighting the (a) 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 Inside Information.

We hope that this letter suffice your requirements.

Sincerely yours,

Oscar J. Hilado
Chairman of the Audit and Risk Committee
Philex

Geraldine B. Ateo-an
Head of the Internal Audit Department
Philex