

TO: **ALL CONCERNED**

CC: MVP, EBA, JR., RBB, VMAY, RPM, File

FROM: R. S. DOLIPAS, II

DATE: February 28, 2020

SUBJECT: **Summary of Remaining Proved Reserves as of December 31, 2019**

The remaining proved reserves as of December 31, 2019 are tabulated below:

PROVED RESERVES					
As of December 31, 2019					
ORE SOURCES	Tonnes MT	Cu %	Au Grams/Tonne	Recoverable Cu (000 lbs)	Recoverable Au (oz)
798-ML	16,770,000	0.18	0.27	53,600	115,000
782-ML	5,300,000	0.17	0.23	15,600	32,000
760-ML	1,880,000	0.20	0.44	6,600	21,000
Total Reserves	23,950,000	0.18	0.27	75,800	168,000

Notes:

1. Geovia GEMS™ and PCBC™ software were used in the above estimate with the following parameters:

Metal Prices:	Cu: 2.65 US\$/lb	Conversion Factor for	0.798
	Au: 1,450 US\$/oz	Gold grade to CuEq:	
Metal Recoveries:	Cu: 80%	Operating Cost per Tonne:	PhP 852.00
	Au: 80%	Break-even Grade (%CuEq):	0.354
Forex (PhP to US\$):	PhP 51.50		

2. The cost per MT of PhP852 is the actual operating cost of the Company for the year 2019 and is the forecast cost until year 2022.
3. Meanwhile, the FOREX of PhP51.5/US\$ is the projection of the Company and is lower by 3% compared to last year's PhP53/US\$.

This is for your information and reference.



RICARDO S. DOLIPAS, II

RSDII-M-001-20

Noted by:



VIC MORRIS A. YODONG
Resident Manager

This estimate was prepared by Engr. Ricardo S. Dolipas, II (BSEM) who is the current General Manager for Technical Services for Philex Mining Corporation, Padcal Operations. Engr. Dolipas is a Competent Person under the definition of the Philippine Mineral Reporting Code (PMRC) and has 26 years of experience as to the type of deposit and style of mining. He is a licensed mining engineer with Professional Regulation Commission (PRC) registration number 0002513 and accreditation number EM 0002513-021/13. He has given his consent to the Public Reporting of this statement concerning Mineral Reserve estimation.