



October 27, 2020

PHILIPPINE STOCK EXCHANGE, INC.  
6/F Philippine Stock Exchange Tower  
5th Avenue cor. 28th Street  
Bonifacio Global City, Taguig

Attention: **MS. JANET A. ENCARNACION**  
*Head, Disclosure Department*

Gentlemen:

Philex Mining Corporation (the "Company") has partially resumed underground operations today, at 50% operational capacity, after its previously-declared temporary suspension to implement measures to avoid the risk of community transmission of COVID-19 to its employees and their families living within the Padcal Minesite.

This comes in the wake of the expanded testing undertaken by the Company that ended October 26 involving 1,425 employees and dependents. This resulted in the identification of a total of 151 positive cases in the Minesite of which 8 cases have recovered. This brings the total number of active cases in the Minesite to 143, consisting of both employees and from the community. None of the active cases are classified as serious cases.

Most of the active cases were employees from underground operations and Management has continued to strictly implement minimum health standards as well as occupational health and safety protocols with the resumption of mine operations. This same level of adherence and enforcement is likewise being implemented in surface operations.

Contact tracing continues to be implemented to properly and immediately identify employees and their dependents who may have had close contact with the COVID-19 patients. The Minesite has isolation quarantine facilities and emergency quarantine facilities that currently house majority of the active cases. Total bed capacity of 135 will be increased by 200 in the coming days.

The Company expects operational capacity to jump up to 90% in the next 3 days.

With the partial resumption of underground operations today at about 50% capacity and normalizing in the next 3 days, barring any resurgence of infections, Management believes that there is a minimal impact to the operations and financial results for 2020.

#### Other Measures Undertaken to Mitigate Risks

The Management has undertaken a massive campaign to implement more stringent measures to contain the spread of COVID-19 in the Minesite particularly inside the bunkhouses and work areas. These include, among others, the proper wearing and disposal of facemasks and face shields, the strict observance of social distancing at all times, the full implementation of a 24-hour curfew and restriction of movement outside of residence, a strict inspection and disinfection procedure at the main gate, as well as disinfection activities in all work areas.

Very truly yours,

(Original Signed)

ROMEO B. BACHOCO

Chief Finance Officer