



Summary of Mineable Reserves Estimate for the Silangan Copper-Gold Project under the In-Phase Mine Plan

January 11, 2022 - Philex Mining Corporation ("Philex" or the "Company") is pleased to announce the completion of the In-Phase Mine Plan feasibility study and an updated mineable reserve estimate for the Boyongan deposit in accordance with the 2012 Philippine Mineral Reporting Code ("PMRC").

A feasibility study for a 4 Million tonnes per year sub-level cave mining plan for the Boyongan copper porphyry deposit was previously completed and disclosed in 2019 and was used as the basis for the In-Phase Mine Plan feasibility study.

The in-phase plan consists of a starter sub-level cave mine that has an annual ore production of 700 thousand tonnes or 2,000 tonnes per day. Mining will commence at the East sub-level cave because it has the highest grade ore. A new decline will be developed to access the East sub-level cave while the existing exploration decline will be rehabilitated to serve as an alternative mine access and a ventilation exhaust for mine air.

Ore coming from the starter mine will be hauled using mine trucks from the underground to the process plant at the surface, where it will be crushed and ground to required sizes. Copper, gold and silver will be recovered using copper leaching and gold leaching processes because the ore at this point consists of predominantly oxide minerals. The processing plant will produce a London Metal Exchange (LME) grade (99.999%) copper cathode and gold-silver dore. Tailings from the processing plant will be piped to the Tailings Storage Facility which is 5 Kilometers to the northwest of the Boyongan ore body.

The initial capital cost to develop the starter mine is estimated to be US\$ 224 Million, which will be spent within the 2.5 years development period.

The 2,000 tonnes per day starter mine will last for 5 years, after which on the sixth year of production, mining and processing rate will increase to 4,000 tonnes per day or 1.3 Million tonnes per year. By the ninth year, ore production and processing rates will again increase to 8,000 tonnes per day or 2.7 Million tonnes per year. On this year as well, a copper flotation circuit will be added to the process plant as the ore mined now consists of oxide and sulfide minerals. Copper flotation will produce copper concentrates with gold and silver.

The final ramp up will occur on the twelfth year. Ore production rate starting this year up to when the mineable ore will be exhausted will be 12,000 tonnes per day or 4 Million tonnes per year. The life of mine for Phase 1 Boyongan is 28 years

The resulting updated mineable reserve estimate below is the culmination of the In-Phase Mine Plan feasibility study undertaken. After incorporating standard mining factors to the mineral resource, the competent person for this report has delineated 81 Million tonnes as mineable reserve.

Ore Sources	Tonnes, MT	Cu, %	Au, g Au/MT	Recoverable Cu (‘000 Pounds)	Recoverable Au (Ounces)
East Cave	37	0.73	1.33	494,960	1,524,517
West Cave	37	0.63	0.98	426,983	1,126,318
Deepes	7	0.57	0.80	70,884	162,050
Total	81	0.67	1.13	992,828	2,812,885

1. Metal Prices:
 1. Copper – 3.20 US Dollar per pound
 2. Gold – 1,342 US Dollar per ounce
2. Metal Recoveries:
 1. Copper – 83 percent
 2. Gold – 96 percent
3. Forex: 53 Philippine Peso to 1 US Dollar
4. Cash operating Cost per Metric Ton: 31 US Dollar
5. Conversion Factor for Gold to Copper Equivalent: 0.700
6. Cut-off Grade (percent Copper Equivalent): 0.548
7. Category: Probable

The Competent Person believes that the methodology used in the estimation of mineable reserves is appropriate and that the result will have accuracy suitable for the intended mining method. The Technical Report will be published in the Company’s web site and in the Philippine Stocks Exchange (“PSE”) web site.

Cautionary Note Concerning Mineable Reserves

The mineable reserve figures referred to in this press release are estimates and no assurances can be given that the indicated levels of copper or gold will be produced. Such estimates are expressions of judgment based on knowledge, mining experience and benchmarking with similar mining operations. Valid estimates made at a given time may

significantly change when new information becomes available or the execution differs from the mining plan presented in the report. While the Company believes that the mineable reserves included in this press release are well established, by their nature reserve estimates depend, to a certain extent, on modifying factors which may affect the information in the report.

Mr. Venancio Gel A. Romero, Division Manager for Corporate Technical Services and Business Development of Philex Mining Corporation and Project Coordinator for Silangan Project, has given his consent to the release of this mineable reserve estimate. The estimate is compliant with the rules and guidelines as set forth by the 2012 PMRC. Mr. Romero has more than 15 years of experience in mining engineering of an underground mine relevant to the planned mining method for Boyongan. Mr. Romero is a Competent Person for Mining Engineering under the definition of the PMRC. He has given his consent to the public reporting of this estimate following the PMRC guidelines concerning Mineable Reserve Estimation.

The PSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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