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## **FIRST PACIFIC COMPANY LIMITED**

### **第一太平洋有限公司**

*(Incorporated with limited liability under the laws of Bermuda)*

Website: <http://www.firstpacific.com>

**(Stock Code: 00142)**

## **BUSINESS UPDATE IN RELATION TO PHILEX MINING CORPORATION**

### **VOLUNTARY ANNOUNCEMENT**

Philex Mining Corporation (“**Philex**”) is a company with copper and gold mining properties in the Philippines and has its shares listed on the Philippine Stock Exchange. First Pacific Company Limited (the “**Company**”) holds a 31.2% economic interest in Philex. Two Rivers Pacific Holdings Corporation, a Philippine affiliate of the Company, holds an additional 15.0% economic interest in Philex.

A wholly owned subsidiary of Philex, Silangan Mindanao Mining Company, Inc. (“**Silangan Mining**”) is currently developing a copper and gold project located in Surigao del Norte in Mindanao province in the Philippines, which has not yet commenced operations. The Company, through a subsidiary, holds Php5.04 billion (equivalent to approximately US\$0.1 billion or HK\$0.79 billion) in principal amount of 1.5% convertible notes due 2022 issued by the holding company of Silangan Mining, which are convertible into common shares of such holding company.

On 14 February 2017, Philex disclosed in a press release that it had received unofficial information that the Philippines Department of Environment and Natural Resources (“**DENR**”) Secretary Gina Lopez held a press conference on 14 February 2017 listing 75 Mineral Production Sharing Agreements (“**MPSAs**”) for cancellation, on the ground that those MPSAs are located in watershed areas.

Philex further disclosed that the MPSA of Silangan Mining, relating to its copper and gold project in Silangan, was included in the list. Philex disclosed that the Silangan project has an expected investment opportunity of Php40 billion (equivalent to approximately US\$0.8 billion or HK\$6.3 billion) and that it is expected that, starting 2020, for the first ten years of its operation, the Silangan project will generate revenues of approximately Php170 billion (equivalent to approximately US\$3.4 billion or HK\$26.6 billion).

Philex's disclosure states that Silangan Mining has not, to date, received any cancellation order, or any notice of a cancellation proceeding, from the DENR or any other Government agency. Philex further disclosed that Silangan Mining secured its MPSA for the Silangan project from the National Government of the Philippines only after a thorough review process by all relevant Government agencies and the endorsement of the host communities and local government units and that, contrary to the statements in Secretary Lopez's press conference, none of the areas covered by the Silangan Mining MPSA is located in a proclaimed watershed forest reserve where mining is prohibited. Philex's disclosure stated that Silangan Mining is, therefore, confident that its MPSA is valid and can withstand any legal challenge.

Philex's disclosure also states that four tenements of its other subsidiary, Philex Gold Philippines, Inc., have also been included in the list for MPSA cancellation, but points out that all these MPSAs have been validly issued and, contrary to the assertions in Secretary Lopez's press conference, are also not located in proclaimed watershed forest reserves.

*Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = HK\$7.8 = Php49.9. Percentages and figures expressed have been rounded.*

By order of the Board  
**First Pacific Company Limited**  
**Nancy L.M. Li**  
*Company Secretary*

Hong Kong, 15 February 2017

As at the date of this announcement, the board of directors of the Company comprises the following directors:

***Executive Directors:***

Manuel V. Pangilinan, *Managing Director and CEO*  
Edward A. Tortorici  
Robert C. Nicholson

***Non-executive Directors:***

Anthoni Salim, *Chairman*  
Benny S. Santoso  
Tedy Djuhar  
Ambassador Albert F. del Rosario

***Independent Non-executive Directors:***

Prof. Edward K.Y. Chen, *GBS, CBE, JP*  
Margaret Leung Ko May Yee, *SBS, JP*  
Philip Fan Yan Hok  
Madeleine Lee Suh Shin