



FIRST PACIFIC COMPANY LIMITED

第一太平有限公司

(Incorporated with limited liability under the laws of Bermuda)

Press Release

Monday, 28 June 2021

Padcal extension of life of mine up to December 2024

The attached press release was released in Manila by Philex Mining Corporation (“Philex”) (PSE: PX), in which First Pacific Group holds an economic interest of approximately 31.2%*.

Philex is a Philippine-listed company engaged in the exploration and mining of mineral resources, and through investment in Philippine-listed PXP Energy Corporation (PSE: PXP), in energy and hydrocarbon exploration and production.

Further information on Philex can be found at www.philexmining.com.ph and on PXP at www.pxpenery.com.ph.

** Two Rivers Pacific Holdings Corporation, a Philippine affiliate of First Pacific, holds an additional 15.0% economic interest in Philex.*

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25 June 2021

PRESS RELEASE

PADCAL EXTENSION OF LIFE OF MINE UP TO DECEMBER 2024

(MANILA, PHILIPPINES) – Philex Mining Corporation (the “Company”), one of the oldest and largest gold and copper producers in Southeast Asia, has, after the completion of confirmatory drilling and related technical studies on the mining methodology and Tailings Storage Facility (TSF) No. 3, successfully identified from the end of 2022 additional mineable reserves in its Padcal Mine that are feasible for mining. The updated remaining mineable reserves as of end March 2021 are estimated at 30.2 Million tonnes with average gold and copper grades of 0.23 grams per tonne (g/t) and 0.18%, respectively. This new estimate includes additional reserves of 16.2 Million tonnes from the previously declared estimated mineable reserves as at end 2020 of 17.4 Million tonnes with an average gold and copper grades of 0.27 g/t and 0.18% that was reported in February 2021. The additional mineable reserves are expected to be mined over two years, extending the life of Padcal Mine until December 31, 2024.

The latest mineable reserves estimate was undertaken by Engineer Ricardo S. Dolipas II, an accredited Competent Person by the Philippine Society of Mining Engineers (PSEM) under the Philippine Mineral Reporting Code (PMRC) Guidelines. *(See attached accompanying mineable reserve statement from the Competent Person.)*

More importantly, the extended Life of Mine will ensure the continuous employment of 1,831 Padcal employees and support the social development of the Host Local Government Units (LGU) and neighboring communities especially in this time of COVID-19 Pandemic. It will also give more time for the Company to bring the Silangan Project to development and commissioning stages.

The Company is currently processing all required permits and other regulatory requirements in connection with this impending Life of Mine extension.

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TO: ALL CONCERNED

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

FROM: R. S. DOLIPAS, II

DATE: June 24, 2021

SUBJECT: Summary of Remaining Proved Reserves as of March 31, 2021

The remaining proved reserves as of March 31, 2021 are tabulated below:

| PROVED RESERVES | | | | | | |
|-----------------------|-------------------|-------------|-------------|--------------------------------|---------------------------|--|
| As of March 31, 2021 | | | | | | |
| ORE SOURCES | Tonnes | Cu % | Au | Recoverable Cu (000 lbs) | Recoverable Au (oz) | |
| | MT | | Grams/Tonne | | | |
| 798-ML | 25,900,000 | 0.18 | 0.23 | 82,300 | 150,000 | |
| 782-ML | 2,600,000 | 0.18 | 0.21 | 8,300 | 14,000 | |
| 760-ML | 1,700,000 | 0.16 | 0.39 | 4,800 | 17,000 | |
| Total Reserves | 30,200,000 | 0.18 | 0.23 | 95,400 | 181,000 | |

Notes:

- This Mineral Reserve Estimate was based on the *Summary of Remaining Mineral Resource Estimate (MRE) for Padcal Mine as of December 31, 2020* memo dated February 22, 2021 by Noel C. Oliveros, a Competent Person for Exploration and Mineral Resource Estimation.
- Geovia GEMS™ and PCBC™ software were used in the above reserve estimate with the following parameters:

| | | | |
|-----------------------------|-------------------|----------------------------------|------------|
| Metal Prices: | Cu: 3.00 US\$/lb | Conversion Factor for | |
| | Au: 1,800 US\$/oz | Gold grade to CuEq: | 0.875 |
| Metal Recoveries: | Cu: 80% | Operating Cost per Tonne: | PhP 882.00 |
| | Au: 80% | Break-even Grade (%CuEq): | 0.347 |
| Forex (PhP to US\$): | PhP 48.00 | | |

- The cost per MT of PhP882 is the budgeted operating cost of the Company for the year 2021.
- Metal prices of \$3.00/lb copper and \$1,800/oz gold are the projections of the Company until the life of mine. Meanwhile, the FOREX of PhP48.0/US\$ is the projection of the Company and is lower by 7% compared to last year's PhP51.5/US\$.
- 15 million tons additional reserve was evaluated at 798-ML after confirmatory drilling for the Mineral Resource Estimate, resulting to extension of Life-of-Mine to year 2024.

This is for your information and reference.


RICARDO S. DOLIPAS, II

RSDII-M-004-21

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 27 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.