

EXECUTIVE SUMMARY

Project Fact Sheet / Summary:

In compliance with regulations and as commitment to protect the environment, Philex Mining Corporation (PMC) constructed three Tailings Storage Facilities for the impoundment of tailings generated in its Padcal mining and milling operations.

Construction of Tailings Storage Facility No.1 (TSF 1) started in December 1967 at an initial cost of PhP8.70M and commenced impounding operation in May 1971. This was decommissioned in 1981 with a total impounded tailings volume of about 85.3 million DMT. It is currently undergoing rehabilitation and revegetation.

Construction of Tailings Storage Facility No. 2 (TSF 2) started in July 1973 at an initial cost of PhP37.20M and commenced impounding operations in 1981. This was decommissioned in 1992 with a total impounded tailings volume of about 76.400 million DMT. It is currently undergoing rehabilitation and revegetation.

Construction of Tailings Storage Facility No. 3 (TSF 3) started in September 1983 at an initial cost of PhP311.00M and commenced impounding operation in April 1992. TSF 3 is still active.

With the continual mining and milling operations in Padcal, there is an incessant need to increase the impounding capacity of TSF 3. The TSF 3 Offset Dike (OSD) is currently at 615 MASL with the tailings level at 608 MASL, or a freeboard of 7.0 meters. By April 2016, the freeboard will have been reduced to 5.0 meters and by September 2016, the tailings level will have equaled the present level of the OSD.

In this regard, PMC will have to raise the OSD level progressively on an average height of 4 meters per year from the current elevation of 615 MASL to its final elevation of 640 MASL by 2021.

For decant system, TSF 3 has a 3-chute spillway which replaced the previous penstocks decant system (Penstocks A & B). Penstocks A & B were plugged and decommissioned in 2014. The 3-chute spillway design ensures the stability of the storage facility at the event of maximum probable storm but the spilling level of the spillway will also have to be raised from 596 MASL to 605 MASL with a non-overspill crest level of 615 MASL by 2016, then to 615 MASL spilling level with a non-overspill crest level of 625 MASL by 2017, to account for the increasing level of the tailings and also provide for sufficient freeboard.