SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

For the quarterly period ended March 31, 2022

Commission identification number 10044

BIR Tax Identification No. 000-283-731-000

Exact name of issuer as specified in its charter

PHILEX MINING CORPORATION

Province, country or other jurisdiction of incorporation or organization

Manila, Philippines

Industry Classification Code: **(SEC Use Only)**

Address of issuer's principal office **Postal Code**

2nd Floor, LaunchPad, Reliance Street corner Sheridan Street, Mandaluyong City, Metro Manila, Philippines 1550

Issuer's telephone number, including area code

(632) 8631-1381 to 88

Former name, former address and former fiscal year, if changed since last report

N/A

Securities registered pursuant to Sections 8 and 12 of the Code or sections 4 and 8 of the RSA

Number of Shares of Stock Outstanding – 4,940,399,068 (As of March 31, 2022)

Amount of Debt Outstanding – Php10,258,375,000 (As of March 31, 2022)

Are any or all the securities listed on a Stock Exchange?
Yes [X] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
Philippine Stock Exchange

Indicate by check mark whether the registrant:

has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [X] No [ ]

has been subject to such filing requirements for the past ninety (90) days.

Yes [X] No [ ]

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

The Unaudited Consolidated Financial Statements for the period ended March 31, 2022 are hereto attached.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Status of Operations

Padcal Operation

Extension of Mine Life
In June 2021, the Philex Board of Directors approved the extension of the life of Padcal Mine from December 2022 to December 2024. The decision to extend the life of mine was reached after the completion of confirmatory drilling and related technical studies on the mining methodology, the current and projected level of gold and copper prices, and implementation of the project to strengthen the TSF No. 3 buttresses and to increase the elevation of the TSF No 3 dike to accommodate additional tailings. The Company continues to benefit from the current high level of copper and gold prices and the medium term global outlook for the demand of these metals. The positive trend of the metal prices has allowed the extension of the Padcal life of mine for another two years to December 2024 after identifying additional mineable reserves in the Sto. Tomas orebody of Padcal. The extension of the life of mine of Padcal will ensure the continuous employment of 1,831 Padcal employees, including almost 500 service providers and support the social development of the Host Local Government Units under the Social Development and Monitoring Program (SDMP). It will provide additional taxes to both the local and national government that would augment funds for government projects 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.

Covid-19

The global pandemic caused by the spread of Covid-19 caused disruption to all businesses and the Company is no exception. The Company revisited and calibrated its strategic and operating plans to mitigate with the impact of Covid-19 to its business and stakeholders. In compliance with the government mandated Covid-19 protocols, Padcal Mine continues to operate under the strictest health protocols to maintain a safe working environment for its employees, and adopted and implemented regular surveillance and contact tracing activities as well as implemented stricter entry and exit controls in the mine camp. While keeping the employees in a safe workplace and community, the Company continue calibrate operating processes and activities to ensure a profitable business for all its stakeholders.

Since the start of the Covid-19 pandemic in March 2020, the Philippine government has issued several health and safety guidelines and has placed local government units under different community quarantine classification depending on the severity of covid-19 transmission. Philex, as an export-oriented company, was allowed to continue its operation subject to full compliance to IATF-DOH guidelines particularly in relation to work arrangements for employees, both in the head office and in Padcal mine. Quarantine protocols and restrictions due to Covid-19 have eased up from 2021 to early 2022. The government has allowed businesses to go on full operation and with full manpower complement onsite. This has allowed an almost back to normal of operation for Philex and its employees after going through the early challenges in the supply chain activities particularly in the procurement of critical materials and supplies. As a result, Philex had fulfilled its commitment on copper concentrate shipments to its customers that ensured payment of its obligations to its lenders, suppliers, contractors and most importantly to its employees.

The Company also responded to the call for concerted efforts by Mines and Geosciences Bureau (MGB) of the Department of Environment and Natural Resources' (DENR) directive allowing mining companies to support the Bayanihan Heal as One Act mandated by the Republic of the Philippines on March 23, 2020.

The issuance of Executive Order No. 130 in April 2021 has given a positive outlook to the mining in the country. The Company believes that E.O. 130 which aims to strengthen the implementing programs in mining, environmental protection and responsible mining and the recent government pronouncements would increase the level of interest and confidence of investors, both local and foreign, and lenders to mining industry and would benefit the Company as it prepare for the launch of its Silangan Project.

Silangan Project

The Company and SMMCI finalized and completed the definitive feasibility study (DFS) for an underground sub-level cave mining method for the Silangan Project. The DFS was approved at the Company's Board meeting on July 31, 2019 covered the Phase 1 of the Silangan Project. Phase 1 refers to the Boyongan deposit containing 81 million tonnes (Mt) of ore reserves with high-quality copper and gold grades from a total mineral resources of 571 Mt. Phase 2 of the Silangan Project refers to the Bayugo-Silangan and Bayugo-Kalayaan ore deposits which will be developed once Phase 1 is operational.

The Phase 1 of the Silangan Project ("Silangan Project") is ready for implementation with all the needed government permits, studies and programs for its development. The Boyongan ore body is under the Mineral Production Sharing Agreement (MPSA) No. 149-99-XIII which is set to expire on December 29, 2024. The Company secured the approval from Mine and Geosciences Bureau

(MGB) and DENR in December 10,2020 for the early renewal and extension of MPSA No. 149-99-XIII up to December 29, 2049. This gave the Company the right to mine the ore body consistent with its mine life as contained in the DFS for Phase 1.

In the July 2021 Board meeting, the Board of Directors of Philex has approved the in-phase plan execution strategy of the Silangan Project. The Company appointed BDO Capital as its financial advisor to assist in the fund raising for the execution plan of the Project. With the plan, the capital expenditure requirement will be made in stages, and can be funded from a variety of potential resources including internally-generated cash and potentially through equity and debt from investors and creditors.

In January 2022, the Company completed the In-Phase Mine Plan feasibility study and updated the mineable reserve estimate for the Boyongan deposit in accordance with the 2012 Philippine Mineral Reporting Code ("PMRC"). Under the In-Phase Mine Plan, Silangan is expected to commence operation with a starter sub-level cave mine using copper and gold leaching processes with ore production of 2,000 tonnes per day or 700 thousand tonnes per year for the first 5 years, then ramp up to 4,000 tonnes per day or 1.3 million tonnes (Mt) per year up to year 8. Starting year 9 when copper flotation circuit will be added to the process plant, ore production and processing rates will further increase to 8,000 tonnes per day or 2.7 Mt per year before the final ramp up to 12,000 tonnes per day or 4 Mt per year on year 12. Based on the study, the life of mine for the Boyongan deposit under Phase 1 is 28 years with estimated total mineable reserves of 81 Mt at 0.67% copper and 1.13 grams per tonne gold, containing estimated metals of 2.8 million ounces of gold and 993 million pounds of copper. The initial capital to develop the starter mine over 2.5 years is estimated at US$224 Million which will be raised in a number of ways including public offering, debt and infusion from internal funds.

The Company is targeting the start of development of the Silangan Project in 2022 with the Front End Engineering and Design ("FEED") works already commencing in October 2021. Based on the In-Phase Mine Plan, the commercial operations of the Project is targeted 1Q2025.

Operational Overview

The Padcal Mine milled a total of 1,822,467 tonnes for 1Q2022, slightly lower than the tonnage of 2,024,534 tonnes in 1Q2021 as operations was affected by unscheduled repairs of milling equipment. To lessen the impact of low tonnage, the Company's strategy of mining from higher grade ore sources remains.

Gold production was 10% lower at 12,097 ounces for 1Q2022 compared with 13,413 ounces in 1Q2021 mainly due to lower tonnage and slightly lower gold grades this quarter that averaged at 0.272 grams per tonne (g/t) in 1Q2022 against 0.273 g/t in 1Q2021. Gold recovery was also slightly lower at 75.3% in 1Q2022 versus 75.5% for 1Q2021.

Similarly, copper production decreased by 9% to 6,181,396 pounds in 1Q2022 compared with the production for the 1Q2021 of 6,769,970 pounds. The decrease was due mainly to lower tonnage and slightly lower metal recovery, despite the 2% increase in ore grades that averaged at 0.191% in 1Q2022 versus 0.187% in 1Q2021. Metal recovery for copper for 1Q2022 averaged at 80.7% compared to 81.3% in 1Q2021.

Review of Financial Results

Total operating revenues for the first quarter ended March 31, 2022 (1Q2022) amounted to Php2.720 billion, significantly higher by 8% compared with Php2.530 billion reported in the first quarter ended March 31, 2021 (1Q2021) due mainly to the continuous soaring of copper and gold prices that averaged higher at 16% and 7%, respectively, and favorable foreign exchange rates (forex) that averaged at Php51.87 compared with Php48.50 in 1Q2021. The increase in revenues due to higher metal prices and forex was partially offset by the lower copper and gold output. Metal prices, particularly copper, boosted revenues for this period Php190 million higher than last year. After smelting charges, the net revenues amounted to Php2.528 billion for 1Q2022, compared with Php2.370 billion in 1Q2021.

Padcal focuses on achieving higher production than targets to take advantage of the favorable level of gold and copper prices, to cushion the impact of downtimes from the unexpected repairs of ageing mill equipment.

Gold
Gold production in 1Q2022 was slightly lower at 12,097 ounces compared with 13,413 ounces in 1Q2021, mainly from lower tonnage. On the other hand, gold averaged at US$1,897 per ounce, 7% higher than the US$1,781 per ounce gold price realized in 1Q2021. With higher prices, gold revenues which represent 44% of total revenues was consequently higher at Php1.204 billion compared with Php1.165 billion in 1Q2021, despite slightly lower gold output. The Company continues to benefit from higher than expected gold prices but current and changing global situation continue to drive the volatility of the prices.

Copper
Copper production in 1Q2022, slightly decreased to 6,181,396 pounds compared with the production of 6,769,970 pounds in 1Q2021, due mainly to the 10% decrease in tonnage and slightly lower metal recovery, despite higher ore grades. Realized copper prices for 1Q2022 averaged at US$4.58 per pound, 16% higher against US$3.95 per pound in 1Q2021. The 16% increase in realized copper prices boosted copper revenues by 12% at Php1.495 billion compared with Php1.340 billion in 1Q2021. While the nonattainment of tonnage targets negatively affects copper revenues, the favorable level of copper prices which showed stable rise since 2021 has remained as Padcal's cushion against the impact of lower metal output. Copper accounted for 55% of total revenues for the period.

Silver
Revenues from silver made up the remaining 1% of the Company's total revenue and amounted to Php21 million for 1Q2022, lower by 15% against the Php25 million in 1Q2021, mainly from lower production and lower realized prices, partially offset by slightly higher forex.

Hedging Strategy
As part of the risk management strategy, the Company regularly monitors the prices of gold and copper in the world market as a basis of assessing the need to enter into hedging contracts to mitigate the risk of the potential impact of fluctuations of the metal prices to the Company's revenues. Based on the Company's outlook of the movement of gold and copper prices, the Company entered into gold and copper hedging contracts for the entire full year 2022, as follows:

2022 Gold Collar Hedge							
Deal Date	Quantity (Ounces)	Gold Prices (US$ Per Ounce)			Period Covered	Settlement Date	Realized Gain (Loss) (in Php Millions)
		Put	Call	Settlement			
10/01/21	1,900	1,700	1,800	1,817	Jan. 2022		(2)
10/01/21	1,900	1,700	1,800	1,857	Feb. 2022		(6)
10/01/21	1,900	1,700	1,800	1,948	Mar. 2022		(15)
01/14/22	1,900	1,725	1,922	-	Apr. 2022	-	-
01/14/22	1,900	1,725	1,922	-	May 2022	-	-
01/14/22	1,900	1,725	1,922	-	June 2022	-	-
01/14/22	1,900	1,725	1,922	-	July 2022	-	-
01/14/22	1,900	1,725	1,922	-	Aug. 2022	-	-
01/14/22	1,900	1,725	1,922	-	Sept. 2022	-	-
01/14/22	1,900	1,725	1,922	-	Oct. 2022	-	-
01/14/22	1,900	1,725	1,922	-	Nov. 2022	-	-
01/14/22	1,900	1,725	1,922	-	Dec. 2022	-	-
						Total	(22)

2022 Copper Collar Hedge							
Deal Date	Quantity (Pounds)	Copper Prices (US$ Per Pound)			Period Covered	Settlement Date	Realized Gain (Loss) *(in Php Millions)*
		Put	Call	Settlement			
10/04/21	992,081	3.90	4.51	4.43	Jan. 2022		-
10/04/21	992,081	3.90	4.51	4.51	Feb. 2022		-
10/04/21	992,081	3.90	4.51	4.64	Mar. 2022		(7)
11/24/21	992,081	3.75	4.95	-	Apr. 2022	-	-
11/24/21	992,081	3.75	4.95	-	May 2022	-	-
11/24/21	992,081	3.75	4.95	-	June 2022	-	-
11/24/21	992,081	3.75	4.95	-	July 2022	-	-
11/24/21	992,081	3.75	4.95	-	Aug. 2022	-	-
11/24/21	992,081	3.75	4.95	-	Sept. 2022	-	-
11/24/21	992,081	3.75	4.95	-	Oct. 2022	-	-
11/24/21	992,081	3.75	4.95	-	Nov. 2022	-	-
11/24/21	992,081	3.75	4.95	-	Dec. 2022	-	-
						Total	(7)

The unrealized MTM gain for the outstanding contracts as of March 31, 2022 amounted to Php49 million for gold and Php70 million for copper.

For 2021, the Company realized net hedging losses of Php29 million for gold and Php26 million for copper on the following contracts:

2021 Gold Collar Hedge							
Deal Date	Quantity (Ounces)	Gold Prices (US$ Per Ounce)			Period Covered	Settlement Date	Realized Gain (Loss) (in Php Millions)
		Put	Call	Settlement			
01/04/21	1,900	1,830	2,050	1,868	Jan. 2021	02/02/21	-
01/04/21	1,900	1,830	2,050	1,811	Feb. 2021	03/02/21	2
01/04/21	1,900	1,830	2,050	1,720	Mar. 2021	04/06/21	10
03/10/21	1,900	1,680	1,733	1,760	Apr. 2021	05/05/21	(3)
03/10/21	1,900	1,680	1,733	1,850	May 2021	06/02/21	(11)
03/10/21	1,900	1,680	1,733	1,835	June 2021	07/02/21	(9)
03/10/21	1,900	1,680	1,733	1,806	July 2021	08/03/21	(7)

03/10/21	1,900	1,680	1,733	1,784	Aug. 2021	09/02/21	(5)
03/10/21	1,900	1,680	1,733	1,779	Sept. 2021	10/04/21	(4)
10/01/21	1,900	1,700	1,800	1,776	Oct. 2021	11/02/21	-
10/01/21	1,900	1,700	1,800	1,820	Nov. 2021	12/02/21	(2)
10/01/21	1,900	1,700	1,800	1,788	Dec. 2021	01/05/22	-
						Total	(29)

2021 Copper Collar Hedge							
Deal Date	Quantity (Pounds)	Copper Prices (US$ Per Pound)			Period Covered	Settlement Date	Realized Gain (Loss) *(in Php Millions)*
		Put	Call	Settlement			
01/04/21	740,752	3.25	3.95	3.62	Jan. 2021	02/02/21	-
01/04/21	740,752	3.25	3.95	3.84	Feb. 2021	03/02/21	-
01/04/21	740,752	3.25	3.95	4.08	Mar. 2021	04/06/21	(5)
03/10/21	992,081	3.80	4.27	4.23	Apr. 2021	05/05/21	-
03/10/21	992,081	3.80	4.27	4.62	May 2021	06/02/21	(17)
03/10/21	992,081	3.80	4.27	4.36	June 2021	07/02/21	(4)
03/10/21	992,081	3.80	4.27	4.28	July 2021	08/03/21	(0.5)
03/10/21	992,081	3.80	4.27	4.24	Aug. 2021	09/02/21	-
03/10/21	992,081	3.80	4.27	4.23	Sept. 2021	10/04/21	-
10/04/21	992,081	3.90	4.51	4.44	Oct. 2021	11/02/21	-
10/04/21	992,081	3.90	4.51	4.43	Nov. 2021	12/02/21	-
10/04/21	992,081	3.90	4.51	4.33	Dec. 2021	01/05/22	-
						Total	(26)

Operating Costs and Expenses

The Company's total operating costs and expenses (Opex), which included Production Costs, Excise Tax and Royalties, and Depletion, Depreciation and Amortization (DDA), and General and Administrative Expenses (G&A), amounted to Ph1.655 billion for 1Q2022 from Php1.647 billion in 1Q2021. The increase in Opex was due to higher Production Costs and revenue-related costs such as Excise Taxes and Royalties. The increase in Production Costs was due to the [Other Expenses]. DDA decreased due mainly to lower tonnage, partially offset by additional depreciation of recently acquired equipment, and amortization for additional costs incurred in maintaining the tailings storage facility.

Smelting Charges amounted to Php192 million for 1Q2022, 20% higher than the Php160 million in 1Q2021, due mainly to higher unit deduction costs on account of higher metal prices, despite the lower copper concentrates of 13,967 dry metric tons (DMT) in 1Q2022 from 15,175 DMT in 1Q2021, as well as lower treatment and refining rates.

Break-even Costs - Costs Per Tonne / Per Ounce / Per Pound

Total production costs (including depletion, depreciation and amortization) on a per unit basis increased by 11% to Php782 per tonne (based on total production costs of Php1.426 billion) for 1Q2022 from Php706 per tonne (based on total production costs of Php1.429 billion) in 1Q2021. Likewise, operating costs (consisting of total production costs, smelting charge, excise taxes, and royalties) also increased to Php978 per tonne in 1Q2022 from Php860 per tonne in 1Q2021. The increase in cost per tonne was mainly attributable to higher excise taxes and royalties and lower tonnage. Total operating costs for purposes of computing the break-even costs amounted to Php1.781 billion in 1Q2022, higher compared with Php1.742 billion in 1Q2021.

The operating cost per ounce of gold and per pound of copper for 1Q2022 based on co-production method were US$1,271 per ounce and US$3.07 per pound, compared with US$1,263 per ounce gold and US$2.80 per pound copper in 1Q2021, respectively. Costs allocated to copper significantly increased following the higher percentage of copper in the total revenues on account of the increase in copper prices while the proportion of gold has gone down having an impact on the lower operating cost per ounce this year.

Other Income (Charges)

The Company recorded a Net Other Charges of Php6 million in 1Q2022 versus Php209 million in 1Q2021. The Net Other Charges in 1Q2022 consisted mainly of the Company's share in net losses of associates and various provisions, with partial offset from the gain from foreign exchange transactions basically from restatement of the Company's net foreign currency-denominated liabilities. In 1Q2021, Net Other Charges included mainly provisions for losses and the Company's share in net losses of associates.

Provision for (Benefit from) Income Tax

The Company recorded a Provision for Income Tax of Php176 million for 1Q2022, compared with the Benefit from Income Tax of Php46 million in 1Q2021. Following the passing of Republic Act No. 11534 known as "Corporate Recovery and Tax Incentives for Enterprises Act" or "CREATE", that reduced the corporate income tax rate from 30% to 25% effective July 1, 2020, the Company recognized in 1Q2021 a provision for income tax of Php128 M on the 1Q2021 taxable income and a credit of Php174 million as retroactive adjustment on current and deferred income tax pertaining to the taxable income apportioned for the second half of 2020, or a net of Php46 million.

Core and Reported Net Income

The strong copper and gold prices continue to boost revenues to higher level allowing the Company to post a Core Net Income of Php676 million, higher by 25% compared with the Core Net Income of only Php540 million in 1Q2021.

EBITDA also significantly increased to Php1.182 billion or 17% higher than the Php1.011 billion for 1Q2021. The Company's core net income and EBITDA exclude non-recurring transactions to clearly reflect and provide results based on the normal operating parameters of the business.

Reported Net Income (the same as the Net Income Attributable to the Equity Holders as income attributable to non-controlling interest was nil) increased by 23% to Php690 million from Php560 million for the same period in 2021.

FINANCIAL CONDITION REVIEW

Current Assets

The Company's Current Assets as of March 31, 2022 increased to Php6.395 billion from Php5.722 billion as of December 31, 2021. The increase of Php673 million was mainly due to the high value of shipment proceeds remaining in the cash balance of the Company.

<u>Cash and Cash Equivalents</u>

The Cash and Cash Equivalents amounted to Php3.574 billion as of March 31, 2022 from Php2.891 billion as of December 31, 2021. The high value of shipment proceeds accounted for the increase in cash and cash equivalent for the period.

<u>Accounts Receivable</u>

The Company's Accounts Receivable slightly increased to Php497 million as of March 31, 2022 from Php467 million as of December 31, 2021. This account consisted of Trade Receivables from sales of the Company's copper concentrates or bullion and Other Receivables that include loan to an associate and advances to employees for conduct of transactions in the ordinary course of business. As of March 31, 2022, Trade Receivables amounted to Php392 million and Other Receivables of Php105 million.

Under the existing sales agreement with the two major Company's Customers ("**Offtakers**"), the Company receives 90% of the total US$ value of the copper concentrates within 3-4 days after presentation of sales and shipping documents, with the balance payable upon final pricing determination based on agreed quotational period ("**QP**"). QP is determined either Prior Month of Shipment Schedule ("**MOSS-1**") or Month After Month of Arrival ("**MAMA**") in destination.

The Trade Receivables as of March 31, 2022 consisted of the remaining value of four shipments (versus four shipments in the fourth quarter of 2021 as of December 31, 2021 with IXM S.A.) awaiting final pricing, were with IXM S.A. The IXM QP is 3MAMA for copper, and MOSS-1 and 3MAMA for gold's expected assay and gold's over/under price basis, respectively.

In March 2022, the Company granted loans to its associate, PXP Energy Corporation, where Philex owns 30.4% interest, through the issuance of the later of covering Promissory Notes (PNs). Under the PNs, total loans to PXP Energy amounted to US$600,000, payable on demand and subject to an interest of 3.5% p.a. over LIBOR (6 months) that is payable quarterly.

<u>Inventories</u>

Total Inventories, consisting of materials and supplies and mine products, amounted to Php1.878 billion as of March 31, 2022, a decrease of 3% from Php1.926 billion as of December 31, 2021.

As of March 31, 2022, mine products inventory, which is valued at net realizable value, amounted to Php1.175 billion or 63% of total inventory, while inventory for materials and supplies amounted to Php704 million or about 37% of total inventory. On the other hand, mine products inventory amounted to Php1.264 billion, while materials and supplies inventory was Php663 million as of December 31, 2021. Mine products inventory slightly decreased due to lower value of mine products inventory corresponding to 6,155 DMT of copper concentrates against 7,257 DMT as of

December 31, 2021. On the other hand, materials and supplies increased due to the build-up of critical inventories amidst the pandemic. The Company continues to implement inventory reduction programs to consume its existing inventory over Padcal remaining mine life which is expected to end by December 2024.

Other Current Assets

Other Current Assets, composed primarily of input Value-Added Tax ("**VAT**") claims for refund on purchases of materials, supplies and equipment, increased to Php446 million as of March 31, 2022 from Php438 million as of December 31, 2021, due mainly to additional VAT receivable on Company purchases. Based on the recently issued guidelines on VAT zero-rating which retroacts to December 10, 2021, all purchases of goods and services by Philex Mining shall be subject to 12% value added tax.

Non-Current Assets

Non-Current Assets of Php36.233 billion as of March 31, 2022 slightly increased from Php36.134 billion as of December 31, 2021. This comprised mainly of Deferred Exploration Costs, Investment in Associates, and Property, Plant and Equipment. Deferred Exploration Costs and Property, Plant and Equipment represent 74% of total assets, signifying the capital intensive nature of the business.

Deferred Exploration Costs

Deferred Exploration Costs increased to Php28.287 billion as of March 31, 2022 from Php28.100 billion in 2021, on account of the pre-development expenditures related to Silangan Project with cumulative amount of Php25.981 billion or 92% of total deferred exploration costs. Initial expenditures on early works program for the Silangan Project were also included in the deferred exploration costs of the Project.

Investment in Associates

Investment in Associates decreased to Php3.627 billion as of March 31, 2022 from Php3.632 billion as of December 31, 2021, mainly from the Company's share in the net losses of associates in 1Q2021 of Php5 million.

Property, Plant and Equipment

Property, Plant and Equipment ("PPE") increased to Php3.433 billion as of March 31, 2022 from Php3.429 billion in 2021. The increase in PPE represents actual expenditures on Padcal's mine development activities and acquisition of mine equipment for the period, net of depletion, depreciation and amortization. The depreciation, depletion and amortization already considered the impact of the life extension of Padcal effective the second quarter of 2021. PPE included the total reversal of impairment of Php802 million in 2021 and 2020 as a result of higher metal price assumptions both in 2021 and 2020 and due to the mine life extension in 2021. The reversals were related to the 2019 impairment provision amounting to Php1.442 billion which was on top of the impairment of Php1.331 billion in 2018.

Pension Asset

Pension Asset slightly decreased to Php262 million as of March 31, 2022 from Php353 million in 2021, which represents the excess of the fair value of plan assets against the present value of defined benefit obligations under the Company's retirement plan, net of SMMCI pension obligation.

Financial Assets Measured at FVOCI

Financial Assets Measured at FVOCI, consisting mainly of shares in gold and country clubs, slightly remained at Php125 million as of March 31, 2022 from 2021.

Other Non-Current Assets

Other Non-Current Assets slightly increased to Php498 million as of March 31, 2022 from Php495 million as of December 31, 2021. This consisted mainly of the non-current portion of SMMCI Input Value-Added Tax amounting to Php434 million.

Total Assets

Total Assets of the Company increased to Php42.628 billion as of March 31, 2022 from Php41.856 billion as of December 31, 2021, primarily from the higher cash balance and deferred exploration costs.

Current Liabilities

Current Liabilities slightly increased to Php13.899 billion as of March 31, 2022 from Php13.324 billion as of December 31, 2021, due mainly to the increase in income tax payable and dividends payable.

Loans and Bonds Payable

Loans and Bonds Payable increased from Php10.258 billion as of March 31, 2022 from Php10.131 billion as of December 31, 2021, consisting of loans payable and bonds payable. The balance of Loans Payable remained at US$29 million or at Php1.500 billion as of March 31, 2022 based on the closing forex of Php51.74 and Php1.479 billion as of December 31, 2021 based on closing forex of Php51.00. The loan reduction program was reassessed to preserve cash for the Silangan Project while funding exercise is ongoing. Total outstanding loan of the Parent Company amounted to US$23 million while SMMCI amounted to US$6 million.

Bonds Payable increased to Php8.758 billion as of March 31, 2022 from Php8.652 billion as of December 31, 2021. The yearly changes in the amounts correspond to the amortization of deferred transaction costs, accretion of interest from the discounting of the face value of the Convertible Note (CN) and accrual of the 3% redemption premium. The bonds payable pertains to the 8-year convertible bonds issued by SMECI, with Philex Mining as the co-issuer, on December 18, 2014, with a face value of Php7.2 billion at 1.5% coupon rate p.a. payable semi-annually. The bonds are convertible into 400,000 common shares of SMECI at Php18,000 per share 12 months after the issue date ("Standstill Period"). On the last day of Standstill Period, the Issuer shall have a one-time right to redeem the bonds from the holders in whole or in part. After the Standstill Period, the noteholders may exercise the conversion right, in whole but not in parts, at any time but no later than the maturity date. At redemption/maturity date, the bonds can be redeemed together with the principal or face value of the bonds at a premium, payable at a rate of 3% per annum compounded semi-annually based on the face value of the bonds and unpaid accrued interest (if there be any). The proceeds of the bonds were used to repay the SMECI's advances from Philex Mining and fund the exploration works of SMMCI. The bonds maturity date is on December 18, 2022 thus the reclassification to current liability starting 2021. The Company management is in the process of negotiations with noteholders to extend its maturity up to 2028, without changing all the other terms and conditions of the original CN agreement.

Accounts Payable and Accrued Liabilities

As of March 31, 2022, Accounts Payable and Accrued Liabilities slightly increased to Php2.564 billion from Php2.556 billion as of December 31, 2021. This composed primarily of payables to suppliers and contractors of which no material amount has been left unpaid within terms acceptable and agreed upon with suppliers and contractors. The strategy of building up critical inventories under the current challenging supply chain environment due to the COVID-19 pandemic has also increased the Company's outstanding liabilities to suppliers.

Subscription Payable

Subscription Payable remained at Php2.8 million as of March 31, 2022 which consisted of outstanding payables to Philodrill Corporation and Kalayaan Copper Gold Resources, Inc.

Income Tax Payable

As of March 31, 2022, Income Tax Payable amounted to Php406 million, which included the tax payable pertaining for 1Q2022 that is due in May 2022 and the tax payable covering 4Q2021 that was due in April 2022. The significant increase in quarterly income tax payable was due mainly to higher taxable income brought about by the impact of favorable metal prices.

Dividends Payable

Dividends Payable increased to Php668 million as of March 31, 2022 from Php452 million as of December 31, 2021. The Philex Board of Directors approved on March 4, 2022 the declaration of regular cash dividend of 5 centavos to shareholders on record date of March 21, 2022, payable on April 3, 2022.

Non-Current Liabilities

As of March 31, 2022, Non-Current Liabilities amounted at Php1.750 billion, slightly lower than the Php1.834 billion as of December 31, 2021, comprising mainly of Deferred Income Tax Liabilities.

Deferred Income Tax Liabilities

Deferred Income Tax Liabilities, mainly consisting of Php1.388 billion arising from the acquisition of Anglo's 50% stake in the Silangan companies and Php359 million mainly for accelerated deductions, substantially decreased to Php1.747 billion as of March 31, 2022 from Php1.816

billion as of December 31, 2021 which considered the impact of the CREATE Law that reduced corporate income tax rate to 25% from 30% effective July 2020.

Provision for Losses and Mine Rehabilitation Costs

Provision for Losses and Mine Rehabilitation Costs decreased to Php2 million as of March 31, 2022 from Php17 million as of December 31, 2021. The amount of Php137 million that is required under the Company's MGB-approved Final Mine Rehabilitation and Development Program has been fully funded.

Total Liabilities

As of March 31, 2022, Total Liabilities amounted to Php15.648 billion, higher than the Php15.157 billion as of December 31, 2021, mainly due to higher current liabilities particularly income tax and dividends payables.

Total Equity

The Company's Total Equity as of March 31, 2022 increased to Php26.980 billion from Php26.698 billion as of December 31, 2021 on account mainly of the 1Q2022 net income of Php690 million, net of the cash dividend declared in March 2022.

Capital Stock and Additional Paid in Capital remained the same at Php4.940 billion and Php1.144 billion, respectively, as of March 31, 2022 compared with their end 2021 balances. Retained Earnings increased to Php17.820 billion as of March 31, 2022, consisting of Php7.320 billion unappropriated amount and Php10.500 million appropriated of which Php10,000 million and Php500 million was approved for appropriation by the Board of Directors on December 13, 2013 and February 28, 2017, respectively, for the development and construction of the Silangan Project which appropriated amount remained the same compared with the Dec. 31, 2021 balance. Total Retained Earnings increased from Php17.444 billion as of December 31, 2021. The unappropriated amount is inclusive of the 1Q2022 Net Income of Php690 million and net of cash dividend declared on March 4, 2022.

The Company recorded Net Unrealized Loss on Financial Assets Measured at FVOCI of Php78 million as of March 31, 2022 from a gain of Php17 million as of December 31, 2021. These amounts were inclusive of loss related to the fair value of derivative instruments of Php119 million and Php24 million as of March 31, 2022 and as at end 2021, respectively.

There were no changes on the balances of Equity Conversion Options, Net Revaluation Surplus and Effect of Transactions with Non-controlling Interests as of March 31, 2022 from their December 31, 2021 balances at Php1.226 billion, Php1.850 billion and Php78 million, respectively. Equity Conversion Options corresponded to the value of the conversion options of the 8-year convertible bonds issued by SMECI, with Philex Mining as the co-issuer, in December 2014 with a face value of Php7.200 billion. Net Revaluation Surplus related to the step acquisition of the Silangan Project companies in 2009.

Total Liabilities and Equity amounted to Php42.628 billion as of March 31, 2022 from Php41.856 billion as of December 31, 2021 due mainly to the increase in Equity as a result of the 1Q2022 net income of Php690 million the Company while Total Liabilities increased only by 3%.

Liquidity and Capital Resources

The Company's existing liquidity position and capital resources are primarily used for the funding of its existing operations and exploratory drilling works within and around the Sto. Tomas ore body with the aim to further extend the mine life of Padcal and for pre-development works of the Silangan Project. Despite the risks inherent in the business associated with metal prices, foreign exchange rates, regulatory environment, and the changing economic and market conditions as well as the global impact of the COVID-19 pandemic, the Company's net cash generated in operating activities amounted to Php1.104 billion in the 1Q2022, compared with only Php51 million in 1Q2021. This allowed the Company to have sufficient liquidity to meet working capital needs, finance any strategic supply chain activities in anticipation of global supply chain disruptions and any unscheduled operating disruptions.

Internally generated funds remain as the Company's principal source of cash to finance the capital expenditures of the Padcal Mine, the pre-development works and initial cash requirement for the development of the Silangan Project, exploration initiatives of various mine sites, and for the repayment of existing loans when programmed.

Net cash used in investing activities, principally for capital expenditures and deferred exploration costs, amounted to Php413 million in 1Q2022 as against Php214 million in 1Q2021. Capital expenditures for Padcal were higher at Php340 million in 1Q2022 compared with Php174 million in 1Q2021. Similarly, expenditures on deferred exploration costs were higher at Php73 million in 1Q2022 compared with Php41 million in 1Q2021, pertaining substantially to Silangan Project primarily the capitalized interests on loans and convertible notes, and activities to comply with the minimum regulatory requirements under existing exploration permits.

Net cash used in financing activities amounted to Php8 million in 1Q2022, representing capitalized interests, compared with Php203 million in 1Q2021, consisting of capitalized interests and short term loan repayment of Php193 million. No loan repayment was programmed in 2022.

Capital Expenditures and Deferred Exploration Costs

(in Php Millions)	**1Q2022**	**1Q2021**
Padcal		
Mine Development	109	85
Tailings Pond Structures	50	35
Machinery and Equipment	182	55
Total	340	174
Silangan Project		
Deferred Exploration Costs	72	40
Machinery and Equipment	0.2	(1)
Total	72	39
Mine Exploration Projects	1	0.3
Total	413	214
Consolidated		
Property, Plant and Equipment	340	173
Deferred Exploration Costs	73	41
Total	413	214

Total Padcal Capital Expenditures and Deferred Exploration Costs totalled to Php413 million for 1Q2022 and Php214 million for 1Q2021.

Padcal operations accounted for 82% of total expenditures at Php340 million in 1Q2022 compared with Php173 million in 1Q2021.

Silangan Project comprised of 17% of the total expenditures amounting to Php72 million in 1Q2022 and Php39 million for 1Q2021.

Other mining exploration projects constituted a total amount of Php1 million in 1Q2022 compared with only Php300 thousand in 1Q2021. These activities focused on complying with minimum regulatory requirements.

Top Five Key Financial and Non-Financial Performance Indicators

Safety Performance

Personnel health and safety is of paramount concern and regarded with utmost priority. In 1Q2022 and 1Q2021, the Company recorded zero Lost Time Accident-Fatal ("**LTA-F**"). Meanwhile, in terms of Lost Time Accident Non-Fatal events, there were five recorded in 1Q2022 compared with four in 1Q2021..

Though it is a difficult task to maintain a "zero-harm" record due to the presence of uncertainties that could contribute to the level of risk in terms of health and safety, the Company is constantly reviewing safety policies and procedures. Various initiatives are being reassessed based on the present situation and implemented to minimize the occurrence of accidents and injuries in the workplace. Third-party experts are likewise engaged to assess existing safety performance and identify risk areas.

Earnings Per Share

Earnings Per Share ("**EPS**") represents the net income attributable to equity holders of the Company, expressed in the amount per share of the Company's average outstanding capital stock. Assuming a constant outstanding number of shares, the earnings per share correspondingly rises as the Company's earnings increase. The EPS ultimately reflects the Company's financial and operational growth as a result of its performance in cost management, technical efficiency and productivity.

	1Q2022	**1Q2021**
Earnings Per Share	Php0.140	Php0.113
Total Outstanding Shares	4,940,399,068	4,940,399,068

All options granted under the Philex Stock Option Plan have expired following the end of the 7-yr term of the Plan upon the expiration in 2020 of the last grant issued under the Plan.

Tonnes Milled and Metals Produced

Tonnes milled and ore grade determine the volume of concentrates to be produced and sold. Tonnes milled were 1,822,467 tonnes in 1Q2022, 10% lower compared with 2,024,534 tonnes in 1Q2021.

Copper output reached 6,181,396 pounds in 1Q2022, 9% lower than the 6,769,970 pounds in 1Q2021, due to lower tonnage and metal recovery, despite higher ore grades. Similarly, gold production was 10% lower at 12,097 ounces in 1Q2022, compared with 13,413 ounces in 1Q2021, as a result of lower tonnage, ore grades and metal recovery.

Break-even Production and Operating Cost Per Unit

The Company's average cost per tonne is a key measure of the Company's operating performance. At the same cost level, the higher the production volume, the lower the cost per tonne becomes, which will also be similar if the same production volume incurs a lower operating cost. Thus, a lower cost per tonne would generally reflect an improvement in operating efficiency.

The same essentially applies to cost expressed in per unit of metal, which incorporates the metal grade, as it affects metal production, and the exchange rate, as it affects the conversion from peso to dollar.

In 1Q2022, the total production cost (mine site cost and expenses including depletion, depreciation and amortization but excluding smelting charges, excise tax and royalties) per tonne of ore milled was Php782, with total production cost of Php1.426 billion over ore milled of 1,822,467 tonnes. This was 11% higher than the cost per tonne of Php706 from the total production cost of Php1.429 billion over ore milled of 2,024,534 tonnes in 1Q2021. Despite the expected lower cost per tonned on account of lower total production costs, the cost per tonne in 1Q2022 was still higher primarily due to lower tonnage.

The operating costs and expenses (all cost and expenses excluding G&A) per tonne of ore milled in 1Q2022 was Php978 from the total operating cost and expenses of Php1.781 billion, 14% higher than the Php860 from the operating costs and expenses of Php1.742 billion in 1Q2021. In addition to the impact of lower tonnage, the increase in excise taxes and royalties on account of higher revenues also contributed to the higher operating cost per tonne.

Using co-production method, the operating cost applicable to gold produced amounted to US$1,271 per ounce in 1Q2022 compared with US$1,263 per ounce in 1Q2021, while operating cost applicable to copper produced amounted to US$3.07 per pound in 1Q2022 compared with US$2.80 per pound in 1Q2021. Under co-production method, the total cost is allocated proportionately based on the revenue contribution of each product considering there is no physical basis that can be used in allocating costs between the two metals. Due to the significant increase in copper prices, costs allocated to copper based on its revenue contribution consequently increased against last year.

Exploration Activities

The Company is cognizant that exploration in itself is a speculative endeavour, and mineral exploration and mining operations can be hampered by force majeure and other unforeseen circumstances beyond the Company's control. To mitigate the impact of these external factors and other contingencies, the Company banks on its ability to successfully explore and/or acquire reserves, design and construct efficient processing facilities, operate and manage its projects, and provide effective financial controls and management. To ensure the optimization of value from its natural resource properties and the long-term sustainability of operations, the Company pursues and invests in viable exploration activities and operational enhancements on a constant basis. In recent years, exploration activities focused mostly on regulatory requirements under the exploration permits or confirmatory drilling related to possible mine life extension.

In 1Q2022, the amount spent on mining exploration including that of Silangan Project amounted to Php73 million compared with Php41 million in 1Q2021. As of March 31, 2022, total deferred exploration costs amounted to Php28.287 billion, comprising 66% of the Company's Total Assets, compared with Php28.100 billion (67% of the Company's Total Assets) as of December 31, 2021.

Subsidiaries and Related Party Transactions

The Company's significant related party transactions as of September 30, 2021 and December 31, 2020, which are under terms that are no less favorable than those arranged with third parties, and account balances are as follows:

a) Advances from Philex Mining to SMMCI and SMECI

   Philex Mining, owning directly and indirectly 100% of SMMCI and SMECI, provides the funds to SMMCI, through SMECI since 2011 and directly thereafter, for the Silangan project's expenditures since the Company's acquisition of Anglo American's interest in the Silangan Project in 2009. These advances, which were intended to be converted into equity, amounting to Php2.527 billion as of March 31, 2022 from Php2.327 billion as of December 31, 2021. In February 2015, the Company infused all outstanding advances amounting to Php7.208 billion as equity.

b) Issuance of Convertible Bonds to Asia Link B.V. and SSS by SMECI

   In December 2014, SMECI and Philex Mining, as the co-issuer, issued 8-year convertible bonds with a face value of Php7.2 billion at 1.5% coupon rate p.a. payable semi-annually. The bonds are convertible into 400,000 common shares of SMECI at Php18,000 per share one year after the issue date. The carrying value of loans payable amounted to Php8.758 billion and Php8.652 billion as of March 31, 2022 and December 31, 2021, respectively.

c) Loans Granted by Philex Mining to PXP Energy Corporation

   In March 2022, PXP Energy Corporation (PXP Energy) issued Promissory Notes covering two loans from Philex Mining amounting to US$375,000 and US$225,000 or a total of US$600,000. The loans are payable on demand and subject to an interest of 3.5% p.a. over LIBOR (6 months), payable quarterly. As of March 31, 2022, total loans receivable from PXP Energy amounted to Php31 million.

Known Trends, Events, or Uncertainties

There is no known event that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation that have not been booked, although the Company could be contingently liable for lawsuits and claims arising from the ordinary course of business, which contingencies are not presently determinable.

Other than as discussed above, there are no known significant trends, demands, commitments, or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in a material way. There are no material commitments for capital expenditures not reflected in the Company's financial statements.

There is likewise no significant seasonality or cyclicality in its business operation that would have material effect on the Company's financial condition or results of operation. There were no other significant elements of income or loss that did not arise from the Company's continuing operations. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationship of the Company with unconsolidated entities or other persons created during the reporting period. There are no line items in the Company's financial statements not already explained for causes either above or in the Notes to the Consolidated Financial Statements other than due to the usual period-to-period fluctuations in amounts natural in every business operations.

PART II - OTHER INFORMATION

There are no other information for this interim period not previously reported in a report on SEC Form 17-C.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PHILEX MINING CORPORATION
(Issuer)

EULALIO B. AUSTIN, JR.
President and CEO

ROMEO B. BACHOCO
Chief Finance Officer

PARALUMAN M. NAVARRO
Assistant Vice President
Corporate Finance

Date: May 11, 2022

PHILEX MINING CORPORATION
AND SUBSIDIARIES

UNAUDITED
CONSOLIDATED
FINANCIAL STATEMENTS
March 31, 2022

Pasig City, Philippines

PHILEX MINING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands, except Par Value per Share)

		March 31 2022 (Unaudited)		December 31 2021 (Audited)
Current Assets				
Cash and cash equivalents	P	3,573,661	P	2,890,763
Accounts receivable - net		496,753		466,922
Inventories - net		1,878,284		1,926,464
Other current assets - net		446,290		437,585
Total Current Assets		6,394,988		5,721,734
Noncurrent Assets				
Deferred exploration costs		28,286,776		28,099,836
Investment in associates - net		3,627,052		3,632,480
Property, plant and equipment - net		3,433,883		3,428,552
Pension asset - net		262,161		352,609
Financial assets measured at fair value through other comprehenesive income (FVOCI)		125,212		125,212
Other non current assets		497,923		495,424
Total Noncurrent Assets		36,233,007		36,134,113
TOTAL ASSETS	**P**	**42,627,995**	**P**	**41,855,847**

		March 31 2022 (Unaudited)		December 31 2021 (Audited)
LIABILITIES AND EQUITY				
Current Liabilities				
Loans and bonds payable	P	10,258,375	P	10,131,071
Accounts payable and accrued liabilities		2,563,668		2,556,347
Subscription payable		2,767		2,767
Income tax payable		406,103		181,243
Dividends payable		667,799		452,413
Total Current Liabilities		13,898,712		13,323,841
Noncurrent Liabilities				
Deferred tax liabilities - net		1,747,207		1,816,070
Provision for losses and mine rehabilitation costs		2,342		17,496
Total Noncurrent Liabilities		**1,749,549**		**1,833,566**
Total Liabilities		**15,648,261**		**15,157,407**
Equity Attributable to Equity Holders of the Parent Company				
Capital Stock - P1 par value		4,940,399		4,940,399
Additional paid-in capital		1,143,981		1,143,981
Retained Earnings				
Unappropriated		7,320,099		6,943,648
Appropriated		10,500,000		10,500,000
Net unrealized gain (loss) on financial assets measured at FVOCI and derivative		(77,838)		17,319
Equity conversion option		1,225,518		1,225,518
Net revaluation surplus		1,849,971		1,849,971
Effect of transactions with non-controlling interests		77,892		77,892
		26,980,022		26,698,728
Non-controlling Interests		(288)		(288)
Total Equity		**26,979,734**		**26,698,440**
TOTAL LIABILITIES & EQUITY	**P**	**42,627,995**	**P**	**41,855,847**

PHILEX MINING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(Amounts in Thousands, except Earnings Per Share)

		Three Months ended March 31		
		2022		2021
REVENUES (Note 5)	**P**	**2,528,194**	**P**	**2,370,062**
COSTS AND EXPENSES				
Production costs		1,094,562		1,090,526
Depletion, amortization and depreciation		331,425		338,818
Excise taxes and royalties		163,397		151,965
General and administrative expenses		66,004		65,983.82
		1,655,388		**1,647,293**
INCOME FROM OPERATIONS		**872,806**		**722,769**
OTHER (CHARGES) INCOME				
Foreign exchange (losses) gains - net		18,950		(5,041)
Interest income		667		266
Share in net losses of associates		(5,428)		(10,100)
Others - net		(20,140)		(194,329)
		(5,951)		**(209,204)**
INCOME BEFORE INCOME TAX		**866,856**		**513,565**
PROVISION FOR (BENEFIT FROM) INCOME TAX				
Current		224,870		105,918
Deferred		(48,402)		(151,927)
		176,468		(46,009)
NET INCOME	**P**	**690,387**	**P**	**559,574**
Net Income Attributable to:				
Equity holders of the Parent Company		690,387		559,574
Non-controlling interests		-		-
	P	**690,387**	**P**	**559,574**
BASIC/DILUTED EARNINGS PER SHARE	**P**	**0.140**	**P**	**0.113**

PHILEX MINING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(Amounts in Thousands)

	Three Months ended March 31	
	2022	**2021**
NET INCOME	P 690,387	P 559,574
OTHER COMPREHENSIVE INCOME (LOSS)		
Items to be reclassified to profit or loss in subsequent periods:		
Unrealized gain (loss) on fair value of hedging instruments	(95,157)	6,827
Adjustment on 2020 tax provision due to implementation of CREATE bill	-	15,758
Items not to be reclassified to profit or loss in subsequent periods:		
Remeasurement of pension obligation (net of tax)	(66,936)	-
2020 net effect of CREATE bill on deferred income tax	-	277,586
	(162,093)	300,171
TOTAL COMPREHENSIVE INCOME	**P 528,294**	**P 859,745**
Total Comprehensive Income Attributable to:		
Equity holders of the Parent Company	528,294	859,745
Non-controlling interests	-	-
	P 528,294	**P 859,745**

PHILEX MINING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

		Three Months ended March 31		
		2022		2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	P	866,856	P	513,565
Adjustments for:				
Depletion and depreciation		334,958		345,230
Unrealized foreign exchange losses and others - net		21,489		14,937
Share in net losses of associates		5,428		10,100
Amortization of asset retirement obligation		-		566
Interest income		(667)		(266)
Operating income before working capital changes		1,228,063		884,131
Decrease (increase) in:				
Inventories		48,181		(915,510)
Other current assets		(11,204)		(9,194)
Accounts receivable		(29,164)		(28,669)
Increase (Decrease) in:				
Accounts payable and accrued liaiblity		(71,060)		229,953
Non current liabilities		(60,505)		(109,305)
Net cash flows generated from operating activities		**1,104,312**		**51,407**
CASHFLOWS FROM INVESTING ACTIVITIES				
Additions to property, plant and equipment		(340,290)		(172,767)
Increase in deferred exploration costs and other noncurrent assets		(72,897)		(40,762)
Advances to related party		-		(46)
Net cash flows used in investing activities		**(413,187)**		**(213,574)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Capitalized interest expenses		(8,227)		(9,986)
Short-term loans		-		(193,340)
Net cash flows used in financing activities		(8,227)		(203,326)
NET DECREASE IN CASH AND CASH EQUIVALENTS		682,898		(365,493)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		2,890,763		1,191,479
CASH AND CASH EQUIVALENTS AT END THE PERIOD	**P**	**3,573,661**	**P**	**825,986**

PHILEX MINING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)
(Amounts in Thousands)

	Attributable to Equity Holders of the Parent Company										
	Capital Stock	Additional Paid-in Capital	Retained Earnings Unappropriated	Retained Earnings Appropriated	Unrealized Gain (Loss) on finandial assets measured at FVOCI and Derivative	Equity Conversion Option	Net revaluation Surplus	Effect of transaction with Non-controlling Interest	Sub-total	Non-controlling Interest	Total
BALANCES AT DECEMBER 31, 2021	4,940,399	1,143,981	6,943,648	10,500,000	17,319	1,225,518	1,849,971	77,892	26,698,728	(289)	26,698,440
Net income			690,387						690,387		690,387
Other comprehensive income (loss):											
Items to be reclassified to profit and loss in subsequent periods:											
Unrealized gain on fair value of hedging instruments					(95,157)				(95,157)		(95,157)
Items not to be reclassified to profit and loss in subsequent periods:											
Remeasurement of pension obligation (net of tax)			(66,936)						(66,936)		(66,936)
Total comprehensive income (loss)	-	-	623,451	-	(95,157)	-	-	-	528,294	-	528,294
Declaration of dividends			(247,000)						(247,000)		(247,000)
BALANCES AT MARCH 31, 2022 (Unaudited)	**4,940,399**	**1,143,981**	**7,320,098**	**10,500,000**	**(77,838)**	**1,225,518**	**1,849,971**	**77,892**	**26,980,022**	**(289)**	**26,979,734**
BALANCES AT DECEMBER 31, 2020	4,940,399	1,143,981	4,734,470	10,500,000	31,859	1,225,518	1,572,385	77,892	24,226,504	(284)	24,226,220
Net income			559,574						559,574		559,574
Other comprehensive income (loss):											
Items to be reclassified to profit and loss in subsequent periods:											
Unrealized gain on fair value of hedging instruments					6,827				6,827		6,827
Adjustment on 2020 tax provision due to implementation of CREATE bill			15,758						15,758		15,758
Items not to be reclassified to profit and loss in subsequent periods:											
2020 net effect of CREATE bill on deferred income tax							277,586		277,586		277,586
Total comprehensive income (loss)	-	-	575,332	-	6,827	-	277,586	-	859,745	-	859,745
Declaration of dividends			(291,484)						(291,484)		(291,484)
BALANCES AT MARCH 31, 2021 (Unaudited)	**4,940,399**	**1,143,981**	**5,018,318**	**10,500,000**	**38,686**	**1,225,518**	**1,849,971**	**77,892**	**24,794,765**	**(284)**	**24,794,481**

PHILEX MINING CORPORATION AND SUBSIDIARIES
FINANCIAL SOUNDNESS INDICATORS

		Three Months Ended March 31	
		2022	2021
Current Ratio	Current Assets over Current Liabilities	0.46	0.88
Debt-to-equity Ratio	Total Liabilities over Total Equity	0.58	0.59
Asset-to-equity Ratio	Total Assets over Equity	1.58	1.59
Net Income Ratio	Net Income over Net Revenue	0.27	0.24

PHILEX MINING CORPORATION AND SUBSIDIARIES

SCHEDULE OF ACCOUNTS RECEIVABLE

As of March 31, 2022

(In Thousands)

Accounts Receivable- Trade	P 391,636
Others	105,117
	P 496,753

AGING OF ACCOUNTS RECEIVABLE - TRADE

As of March 31, 2022

	0-30 days	**31-60 days**	**Total**
IXM S.A.	P 128,183	P 263,453	P 391,636
	P 128,183	**P 263,453**	**P 391,636**

PHILEX MINING CORPORATION AND SUBSIDIARIES

SCHEDULE OF LOANS AND BONDS PAYABLE

As of March 31, 2022

(In thousands)

Loans Payable:		
Banco de Oro	P	206,960
Philippine National Bank		983,060
Bank of the Philippine Islands		310,440
Bonds Payable		8,757,915
Total	**P**	**10,258,375**

1. Basis of Preparation, Statement of Compliance, Changes in Accounting Policies and Disclosures and Significant Accounting Policies and Financial Reporting Practices

Basis of Preparation

The unaudited consolidated financial statements of the Group have been prepared using the historical cost basis, except for mine products inventories that are measured at net realizable value (NRV), and for financial assets measured at fair value through other comprehensive income (FVOCI) and derivative financial instruments that are measured at fair value through profit or loss (FVTPL). The consolidated financial statements are presented in Philippine Peso, which is the Group's functional and presentation currency, rounded off to the nearest thousands, except when otherwise indicated.

Statement of Compliance

The unaudited consolidated financial statements of the Group have been prepared in accordance with accounting principles generally accepted in the Philippines. The Group prepared its consolidated financial statements in accordance with Philippine Financial Reporting Standards (PFRSs), except for the Parent Company's mine product inventories that are measured at NRV which was permitted by the Philippine SEC. The significant accounting policies followed by the Group are disclosed below.

Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements as at and for the year ended December 31, 2021, except for the adoption of new standards that is effective January 1, 2022.

Unless otherwise indicated, adoption of these new standards did not have any material impact on the consolidated financial statements of the Group.

Effective beginning on or after January 1, 2022

- Amendments to PFRS 3, Reference to the Conceptual Framework
- Amendments to PAS 16, Plant and Equipment: Proceeds before Intended Use
- Amendments to PAS 37, Onerous Contracts - Cost of Fulfilling a Contract
- Annual Improvements to PFRSs 2018-2020 Cycle
  - Amendments to PFRS 1, First-time Adoption of Philippines Financial Reporting Standard,
  - Subsidiary as a first-time adopter
  - Amendments to PFRS 9, Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities
  - Amendments to PAS 41, Agriculture, Taxation in fair value measurements

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2. Significant Judgments and Estimates and Assumptions

The preparation of the unaudited consolidated financial statements in accordance with accounting principles generally accepted in the Philippines requires the management of the Group to exercise judgment, make accounting estimates and use assumptions that affect the reported amounts of assets, liabilities, income and expenses, and disclosure of any contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the accounting estimates to change. The effects of any change in accounting estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Accounting assumptions, estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effects on amounts recognized in the consolidated financial statements:

Determination of the Functional Currency

The Parent Company and most of its local subsidiaries based on the relevant economic substance of the underlying circumstances, have determined their functional currency to be the Philippine peso. It is the currency of the primary economic environment in which the Parent Company and most of its local subsidiaries primarily operates.

Recognition of Deferred Tax Assets

The Group reviews the carrying amounts at each end of reporting period and adjusts the balance of deferred income tax assets to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized. The sufficiency of future taxable profits requires the use of assumptions, judgments and estimates, including future prices of metals, volume of inventories produced and sold, and amount of costs and expenses that are subjectively determined like depreciation.

Accounting Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainties at the end of reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Measurement of Mine Products Revenue

Mine products revenue is provisionally priced until or unless these are settled at pre-agreed future or past dates referred to as "quotational period," the prevailing average prices at which time become the basis of the final price. Revenue on mine products is initially recognized based on shipment values calculated using the provisional metals prices, shipment weights and assays for metal content less deduction for insurance and smelting charges as marketing costs. The final shipment values are subsequently determined based on final weights and assays for metal content and prices during the applicable quotational period.

Valuation of Financial Instruments
The Group carries certain financial assets and financial liabilities (i.e., quoted and unquoted shares) at fair value, which requires the use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence (e.g., quoted equity prices), the amount of changes in fair value would differ if the Group utilized a different valuation methodology. Any change in fair value of these financial assets and financial liabilities is recognized in the consolidated statements of income and in the consolidated statements of comprehensive income.

Valuation of Financial Assets measured at FVOCI
Fair value measurement requires the use of accounting estimates and judgment. At initial recognition, the fair value of quoted financial assets measured at FVOCI is based on its quoted price in an active market, while the fair value of unquoted financial assets measured at FVOCI is based on the latest available transaction price. The amount of changes in fair value would differ if the Group utilized a different valuation methodology

Measurement of NRV of Mine Products Inventory
The NRV of mine products inventory is the estimated sales value less costs to sell, which can be derived from such inventory based on its weight and assay for metal content, and the LME and LBMA for prices, which also represents an active market for the product. Changes in weight and assay for metal content as well as the applicable prices as the mine products inventory are eventually shipped and sold are accounted for and accordingly adjusted in revenue.

Write-down of Carrying Values of Materials and Supplies Inventories
The Group carries material and supplies inventories at NRV when such value is lower than cost due to damage, physical deterioration, obsolescence or other causes. When it is evident that the NRV is lower than its cost based on physical appearance and condition of inventories, an allowance for inventory obsolescence is provided.

Impairment of Mine and Mining Properties
The Group assesses, at each reporting date, whether there is an indication that mine and mining properties may be impaired. If any indication exists, or when annual impairment testing for mine and mining properties is required, the Group estimates the mine and mining and properties' recoverable amount. An asset's recoverable amount is the higher of asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Assessments require the use of estimates and assumptions such as future cash flows, discount rates, estimated ore reserves, forecasted metal prices, and production quantities. In assessing value in use, the estimated future cash flows are discounted to their present value using a suitable discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Estimation of Useful Lives of Property, Plant and Equipment
The Group estimates the useful lives of depreciable property, plant and equipment, except for mine and mining properties, based on internal technical evaluation and experience. These estimated useful lives are reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical and commercial obsolescence, and other limits on the use of the assets. For mine and mining properties which were depreciated based on units-of production, the Group estimates and

periodically reviews the remaining recoverable reserves to ensure that remaining reserves are reflective of the current condition of the mine and mining properties.

Estimation of Ore Reserves
Ore reserves were determined using various factors such as market price of metals and production costs among others. These are economically mineable reserves based on the current market condition and concentration of mineral resource. Reserves are key inputs to depletion, amortization and decommissioning provisions. On June 25, 2021, the Padcal Mine life has been extended for another two (2) years, extending its life until December 31, 2024. The extension of the mine life is due to additional reserves from mineral resources delineated below the current mining level.

Impairment of Deferred Exploration Costs
The Group reviews the carrying values of its deferred exploration costs whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts. The ability of the Group to recover its deferred exploration costs would depend on the commercial viability of the reserves and future plans of the prospective mine project.
An impairment loss is recognized when the carrying values of these assets are not recoverable and their historical cost exceeds their fair value.

Convertible Bonds
The Group's convertible bonds, treated as a compound financial instrument, are separated into liability and equity components based on the terms of the contract. On issuance of the convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortized cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognized and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible bonds based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

Provisions for losses
The Group provides for present obligations (legal or constructive) where it is probable that there will be an outflow of resources embodying economic benefits that will be required to settle the said obligations. An estimate of the provision is based on known information at each end of the reporting period, net of any estimated amount that may be

reimbursed to the Group. The amount of provision is being re-assessed at least on an annual basis to consider new relevant information.

Estimation of net retirement benefits liability (plan assets) and costs
The Group's net retirement benefits costs are actuarially computed using certain assumptions with respect to future annual salary increases and discount rates per annum, among others.

3. Financial Risk Management Objectives and Policies and Hedging Activities

Financial Risks Management Objectives and Policies
The Group's principal financial instruments, other than derivatives, comprise mainly of cash and cash equivalents, accounts receivable, financial assets measured at FVOCI, short-term bank loan and accounts payable and accrued liabilities. The main purpose of these financial instruments is to provide financing for the Group's operations and capital-intensive projects.

The BOD is mainly responsible for the overall risk management and approval of the risk strategies and principles of the Group. The BOD has approved its formalized hedging policy in relation to entering into commodity derivatives in order to manage its financial performance.

Financial Risks
The main risks arising from the Group's financial instruments are credit and concentration risks, liquidity risk, and market risk. The market risk exposure of the Group can be further classified to foreign currency risk, cash flow interest rate risk, equity price risk, and commodity price risk. The BOD reviews and approves the policies for managing some of these risks and they are summarized as follows:

Credit and concentration risks

Credit risk is the risk where the Group could incur a loss if its counterparties fail to discharge their contractual obligations. To avoid such losses, the Group's primary credit risk management strategy is to trade only with recognized, creditworthy third parties. At present, 86% of the Parent Company's annual production of concentrates is sold to IXM.

Credit risk may also arise from the Group's other financial assets, which comprise of cash and cash equivalents. The Group's exposure to credit risk could arise from default of the counterparty, having a maximum exposure equal to the carrying amount of these instruments.

The table below summarizes the Group's exposure to credit risk for the components of the unaudited consolidated balance sheet as of March 31, 2022:

Cash and cash equivalents	
Cash with banks	1,179,320
Short-term deposits	2,393,397
Accounts receivable	
Trade	391,636
Other	102,455
Financial assets measured at FVOCI	
Quoted equity investments	72,177
Unuoted equity investments	53,035
Gross maximum credit risk exposure	4,192,020

The table below summarizes the Group's exposure to credit risk for the components of the consolidated statements of financial position as of March 31, 2022.

	Neither Past Due nor Impaired		Past Due and Individually	
	High-Grade	Standard	Impaired	Total
Cash and cash equivalents:				
Cash with banks	1,179,320	-	-	1,179,320
Short-term deposits	2,393,397	-	-	2,393,397
Accounts receivable:				
Trade	391,636	-	-	391,636
Others	102,455	-	-	102,455
Advances to related parties	-	-	-	-
Financial assets measured at FVOCI				
Quoted equity investments	72,177			72,177
Unquoted equity investments	53,035			53,035
Total	4,192,020	-	-	4,192,020

Credit quality of cash and cash equivalents and accounts receivable are based on the nature of the counterparty and the Group's evaluation process.

High-grade credit quality financial assets pertain to financial assets with insignificant risk of default based on historical experience.

Liquidity risk

Liquidity risk is the risk where the Group becomes unable to meet its obligations when they fall due under normal and stress circumstances. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. The Group addresses liquidity concerns primarily through cash flows from operations and short-term borrowings, if necessary.

The table below summarizes the maturity profile of the Group's financial assets that can be used by the Group to manage its liquidity risk and the maturity profile of the Group's financial liabilities, based on contracted undiscounted repayment obligations (including interest) as of March 31, 2022:

	On Demand	Within 1 Year	More than 1 Year	Total
Other financial liabilities:				
Loans payable - current				
Principal		1,500,460		1,500,460
Interest		1,788		1,788
Loans payable- noncurrent				
Principal		7,200,000		7,200,000
Interest		540,000		540,000
Accounts payable and accrued liabilities		2,128,633		2,128,633
Dividends payable	667,799			667,799
Total undiscounted financial liabilities	667,799	11,370,881	-	12,038,679

	On Demand	Within 1 Year	More than 1 Year	Total
Loans and receivables:				
Cash and cash equivalents	3,573,661			3,573,661
Accounts receivable:				
Trade		391,636		391,636
Others		102,455		102,455
Advances to related parties				-
Financial assets measured at FVOCI				
Quoted equity investments	72,177			72,177
Unquoted equity investments	53,035			53,035
Total undiscounted financial assets	3,698,873	494,091	-	4,192,964

Market risks

Foreign currency risk

Foreign currency risk the risk where the value of the Group's financial instruments diminishes due to unfavorable changes in foreign exchange rates. The Parent Company's transactional currency exposures arise from sales in currencies other than its functional currency. All of the Parent Company's sales are denominated in US Dollar. Also, the Parent Company is exposed to foreign exchange risk arising from its US Dollar-denominated cash and cash equivalents and trade receivables and loans payable.

As the need arises, the Group enters into structured currency derivatives to cushion the effect of foreign currency fluctuations.

The following table summarizes the impact on the unaudited consolidated income before income tax of reasonable possible changes in the exchange rates of US Dollar against the Peso:

US$ Appreciate (Depreciate)	Effect on Consolidated Income before Income Tax
4%	(₱70,973)
(4%)	70,973

Equity Price Risk
Equity price risk is the risk where the fair values of investments in quoted equity securities could increase or decrease as a result of changes in the levels of equity indices and in the value of individual stocks. Management monitors the movement of the share prices pertaining to the Group's investments. The Group is exposed to equity securities price risk because of investments held by the Parent Company, which are classified in the consolidated statements of financial position as financial assets measured at FVOCI.

The effect on equity, as a result of a possible change in the fair value of the Group's quoted equity instruments held as financial assets measured at FVOCI as at March 31, 2022 that could be brought by changes in equity indices with all other variables held constant is as follows:

Currency	Change in Quoted Prices of Investments Carried at Fair Value	Effect on Equity
Peso	Increase by 3%	₱82.42
	Decrease by 3%	(82.42)

Commodity price risk
The Parent Company's mine products revenues are based on international commodity quotations (i.e., primarily on the LME and London Bullion Market Association quotes) over which the Parent Company has no significant influence or control. This exposes the Group's results of operations to commodity price volatilities that may significantly impact its cash inflows.

The table below shows the effect on income before income tax should the change in the prices of copper and gold occur based on the inventory of the Parent Company as of March 31, 2022:

Change in metal prices (Gold)	Effect on income before income tax
Increase by 13%	₱156,528
Decrease by 13%	(156,528)

Change in metal prices (Copper)	Effect on income before income tax
Increase by 25%	₱373,710
Decrease by 25%	(373,710)

4. Segment Information

The Group is organized into business units on their products and activities and had two reportable business segments: the mining and metals segment, and the energy and hydrocarbon segment until July 15, 2016, when the deconsolidation of the energy and hydrocarbon took place.

Core net income (loss) is presented because the Group believes it is an important measure of its performance. Core income is the performance of business segments based on a measure of recurring profit. This measurement basis is determined as profit attributable to equity holders of the Parent Company excluding the effects of non- recurring items, net of their tax effects. Non-recurring items represent (losses) gains that, through occurrence or size, are not considered usual operating items, such as foreign exchange (losses) gains, (losses) gains on derivative instruments, (losses) gains on disposal of investments, and other non-recurring (losses) gains.

Core net income (loss) is not a uniform or legally defined financial measure. The Group relies primarily on the results in accordance with PFRSs and uses core net income (loss) only as supplementary information.

The following table shows the Group's reconciliation of core net income to the consolidated net income for the three months ended March 31, 2022 and 2021.

	March 31	
	2022	2021
Core Net Income	P 676,174	P 539,601
Non-Recurring gains (losses)		
Foreign exchange gains (losses)	18,950	(5,042)
Provision for losses	-	(150,000)
Retroactive income tax provision adjustment on income attributable to second half of 2020	-	173,753
Net tax effect on foreign exchange losses	(4,737)	1,261
Net income attributable fo parent company	690,387	559,574
Net income attributable to non-controlling interests	-	-
Net income	P 690,387	P 559,574

Core net income per share is computed as follows:

	2022	2021
Core net income	₱690,387	₱539,601
Divided by weighted average number of common shares outstanding	4,940,399,068	4,940,399,068
Core net income per share	₱0.137	₱0.109

5. **Revenues**

Adoption of PFRS 15 using modified retrospective approach as of March 31, 2022 and March 31, 2021:

	2022		
	Revenue from contracts with customers	**Provisional pricing adjustment**	**Total revenue**
Gold	₱1,085,920	₱33,122	₱1,119,042
Copper	1,392,775	(3,489)	1,389,286
Silver	21,589	(1,723)	19,865
			₱2,528,194

	2021		
	Revenue from contracts with customers	Provisional pricing adjustment	Total revenue
Gold	₱1,106,570	₱12,991	₱1,119561
Copper	1,174,081	54,075	1,228,156
Silver	22,249	96	22,345
			₱2,370,062

All revenue from sale of gold, copper and silver are recognized at a point in time when control transfers.

6. **Income Taxes**

President Rodrigo Duterte signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Company:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding Php5 million and with total assets not exceeding Php100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.

- Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.

- Imposition of improperly accumulated earnings tax (IAET) is repealed.

  Applying the provisions of the CREATE Act, the Group have been subjected to lower regular corporate income tax rate of 25% or the reduced MCIT rate of 1% of gross income effective July 1, 2020. Likewise, the impact on the December 31, 2020 consolidated financial statements had the CREATE Act been substantially enacted as of then, that were adjusted in 2021.

7. Basic/Diluted Earnings Per Share

Basic and diluted earnings per share as of March 31, 2022 and 2021 are computed as follows:

	2022	2021
Net income attributable to equity holders of the Parent Company	₱690,387	₱559,574
Divided by weighted average number of common shares outstanding during year	4,940,399,068	4,940,399,068
Basic earnings per share	₱0.140	₱0.113

Diluted earnings per share as of March 31, 2022 and 2020 are computed as follows:

	2022	2021
Net income attributable to equity holders of the Parent Company	₱690,387	₱559,574
Divided by weighted average number of common shares adjusted for the effect of exercise of stock options	4,940,399,068	4,940,399,068
Diluted earnings per share	₱0.140	₱0.113

Weighted average number of common shares for basic earnings per share	4,940,399,068	4,940,399,068
Dilutive effect of outstanding stock options	–	–
Weighted average number of common shares adjusted for the effect of exercise of stock options	4,940,399,068	4,940,399,068

8. Events After End of Reporting Period

There are no known event that will trigger direct or contingent financial obligation that is material to the Company other than those discussed in Part 1 of this report.