

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

1 March 15, 2023

Date of Report (Date of earliest event reported)

2. SEC Identification Number 10044 3. BIR Tax Identification No. 000-283-731-000

4. PHILEX MINING CORPORATION

Exact name of issuer as specified in its charter

5. Philippines

Province, country or other jurisdiction of  
incorporation

6.  (SEC Use Only)

Industry Classification Code:

7. 2<sup>nd</sup> Floor LaunchPad, Reliance Street corner Sheridan Street,  
Mandaluyong City, Metro Manila

Address of principal office

1550

Postal Code

8. (632) 8631-1381 to 88

Issuer's telephone number, including area code

9. N/A

Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class

Number of Shares of Common Stock  
Outstanding and Amount of Debt Outstanding

Common Share

5,782,399,068

11. Indicate the item numbers reported herein:

Annual Summary of the proceeds from the SRO as at December 31, 2022

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 hereunto duly authorized.

PHILEX MINING CORPORATION

Issuer

March 15, 2023

Date

(Original Signed)

ROMEO B. BACHOCO

Chief Finance Officer & Chief Compliance Officer



March 15, 2023

**SECURITIES AND EXCHANGE COMMISSION**

Secretariat Building, PICC Complex  
Roxas Boulevard, Pasay City 1307

Attention: **HON. VICENTE GRACIANO P. FELIZMENIO, JR.**  
Director, Markets & Securities Regulation Dept.

**THE PHILIPPINE STOCK EXCHANGE, INC.**

6th Floor, Philippine Stock Exchange Tower  
28th Street corner 5th Avenue Bonifacio Global City, Taguig City

Attention: **MS. JANET A. ENCARNACION**  
Head, Disclosure Department

Ladies and Gentlemen:

In compliance with the Notice of Approval dated 17 February 2022 of The Philippine Stock Exchange, Inc., we submit the details of the disbursements made in connection with the planned use of proceeds from Philex Mining Corporation (the "Company")'s Stock Rights Offering ("SRO") as at December 31, 2022, as follows:


**Annual Summary Report on the Application of the Proceeds from the SRO  
As at December 31, 2022**

<b>SRO Proceeds</b>		<b>₱2,652,300,000.00</b>
<b>Less: Use of Proceeds</b>		
<i>Cost related to SRO</i>		
Underwriting fee	42,113,653.00	
Professional and accounting fees	12,198,168.00	
Documentary stamp tax	8,420,000.00	
Registration and filing fees	4,752,755.00	
Other fees	5,177,518.00	
<i>Subscription of 75,787 common shares of     Silangan Mindanao Exploration Co. Inc.</i>	2,579,637,906.00	<b>2,652,300,000.00</b>
<b>Balance of SRO Proceeds as at December 31, 2022</b>		<b>₱—</b>

Silangan Mindanao Exploration Co. Inc. subsequently invested the net proceeds in Silangan Mindanao Mining Co. Inc. to support the capital expenditures and development cost of the Silangan Copper and Gold Project situated in Surigao del Norte. This is aligned with the Use of Proceeds declared in the Company's Final Prospectus dated July 7, 2022.

Also attached is the report of the Company's external auditor dated March 15, 2023 covering the foregoing disbursements reported.

Very truly yours,

  
**Mr. Romeo B. Bachoco**  
Chief Financial Officer



## **AGREED-UPON PROCEDURES REPORT ON THE PROGRESS REPORT ON THE USE OF PROCEEDS FROM STOCK RIGHTS OFFERING**

### **Philex Mining Corporation and Subsidiaries**

2F LaunchPad Building  
Reliance corner Sheridan Streets  
Mandaluyong City

### **Purpose of this Agreed-Upon Procedures Report**

We have performed the procedures agreed with you and enumerated below with respect to the attached Annual Summary Report on the use of proceeds from the Stock Rights Offering (the "Offering") of **Philex Mining Corporation** (the "Company") as of and for the year ended December 31, 2022 (the "Subject Matter"). The procedures were performed solely to enable the Company to comply with the Philippine Stock Exchange, Inc.'s (PSE) requirement to submit an external auditor's certification on the accuracy of information being presented by the Company relating to the use of proceeds, and may not be suitable for another purpose.

### **Restriction of Use**

This agreed-upon procedures report ("AUP Report") is intended solely for the information and use of the Company and the PSE and is not intended to be and should not be used by anyone else.

### **Responsibilities of the Company**

The Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of this engagement.

The Company is responsible for the application of the proceeds from the Offering on which the agreed-upon procedures are performed. The sufficiency of these procedures is solely the responsibility of the Company.

### **Practitioner's Responsibility**

We have conducted the agreed-upon procedures engagement in accordance with the Philippine Standard on Related Services 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness or the sufficiency of the agreed-upon procedures described below either for the purpose for which this AUP Report has been requested or for any other purpose.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

### **Professional Ethics and Quality Management**

In performing the agreed-upon procedures engagement, we complied with the ethical requirements in the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics). We are not required to be independent for the purpose of this engagement. We are the independent auditor of the Company and complied with the independent requirements of the Code of Ethics that apply in context of the financial statement audit.

Our firm applies Philippine Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Procedures Performed**

These agreed-upon procedures are summarized as follows:

1. Obtained the Annual Summary Report on the Application of the Proceeds from the Stock Rights Offering as at and for the year ended December 31, 2022 (the "Schedule");
2. Checked the mathematical accuracy of the Schedule;
3. Compared the disbursements in the Schedule to the Annual Summary Report for the year ended December 31, 2022;
4. Traced disbursements to the supporting documents such as billing statements, billing fee letters, billing agreements, statement of accounts, sales invoices, official receipts, and bank statements and agreed the amount to the accounting records;
5. Compared the nature and amount of disbursements in the Annual Summary Report to the Schedule of planned use of proceeds from the Offering.

### **Findings**

We report our findings below:

- (a) With respect to item 1, we were able to obtain the Schedule as at and for the year ended December 31, 2022.
- (b) With respect to item 2, we found the Schedule to be mathematically correct. No exceptions were noted from this procedure.
- (c) With respect to item 3, we noted that the disbursements in the Schedule agree to the total disbursements for the year ended December 31, 2022 per list of disbursements provided. No exceptions were noted from this procedure.
- (d) With respect to item 4, we obtained the supporting documents such as subscription agreement, bank debit advice, official receipts, and bank statements. The amounts recorded agreed with the supporting documents. No exceptions were noted from this procedure.
- (e) With respect to item 5, we noted that the net proceeds of the Company's Offering were used for the payment of costs related to the SRO and the subscription of 75,787 common shares of Silangan Mindanao Mining Co. Inc. No exceptions were noted from this procedure.



**Explanatory Paragraph**

The Company is responsible for the source documents that are described in the specified procedures and related findings section. We were not engaged to perform, and we have not performed any procedures other than those previously listed. We have not performed procedures to test the accuracy or completeness of the information provided to us except as indicated in our procedures. Furthermore, we have not performed any procedures with respect to the preparation or verification of any of the source documents. We have no responsibility for the verification of any underlying information upon which we relied in forming our findings.

This report relates only to the report on the progress report on the use of proceeds from the Offering as of and for the year ended December 31, 2022, as specified above and do not extend to any financial statements of the Company taken as a whole.

We undertake no responsibility to update this AUP Report for events and circumstances occurring after the AUP Report is issued.

SYCIP GORRES VELAYO & CO.



Alexis Benjamin C. Zaragoza III  
Partner  
March 15, 2023  
Makati City