

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. **November 09, 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. **2nd 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:
Press Release

**PHILEX MINING POSTS PHP864 MILLION CORE NET INCOME FOR 9M2023
SILANGAN PROJECT DEVELOPMENT ACCELERATES**

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 | November 09, 2023 Date |
| (Original signed) ROMEO B. BACHOCO Chief Finance Officer & Chief Compliance Officer | |



09 November 2023

PRESS RELEASE

**PHILEX MINING POSTS PHP864 MILLION CORE NET INCOME
FOR 9M2023
SILANGAN PROJECT DEVELOPMENT ACCELERATES**

HIGHLIGHTS

- **3Q2023 Core Net Income at Php163 million compared with Php210 million in 3Q2022; 9M2023 Core Net Income at Php864 million versus 9M2022 of Php1.543 billion**
- **3Q2023 EBITDA at Php337 million lower than 3Q2022 EBITDA of Php611 million; 9M2023 EBITDA at Php1.525 billion versus 9M2022 at Php2.964 billion**
- **Tonnes milled for 3Q2023 was 1.693 million tonnes, slightly lower than the 1.873 million tonnes milled in 3Q2022**
- **Gold and copper prices in 3Q2023 remained within similar levels as 2Q2023, but higher than 3Q2022 levels**
- **Operating revenues are lower at Php1.802 billion in 3Q2023 compared with Php2.044 billion in 3Q2022; operating revenues are at Php5.958 billion in 9M2023 versus Php7.058 billion in 9M2022**

(MANILA, PHILIPPINES) – Philex Mining Corporation (PSE: PX) (the “Company” or “Philex”), one of the oldest and largest gold and copper producers in Southeast Asia, and a leader in right and principled mining, posted a core net income of Php163 million for 3Q2023, reporting a 9M2023 core net income of Php864 million. Core net income for 3Q2022 was at Php210 million while core net income for 9M2022 was at Php1.543 billion.

EBITDA of Php337 million for 3Q2023 is lower compared to the Php611 million EBITDA for 3Q2022 while the 9M2023 EBITDA of Php1.525 billion was lower compared to Php2.964 billion of 9M2022.

Gold and copper prices remained within similar levels as those of 2Q2023 at USD1,927 per ounce and USD3.73 per pound, respectively, but higher at 13% and 3%, respectively, compared with 3Q2022 prices of USD1,701 per ounce for gold and USD3.61 per pound for copper.

PRODUCTION

The Company milled a total of 1.693 million tonnes during 3Q2023, lower than the 1.873 million tonnes milled in 3Q2022 and the 1.825 million tonnes milled in 2Q2023. Total

tonnage milled for 9M2023 was at 5.225 million tonnes, slightly lower than the 5.554 million tonnes in the same period last year. Ore grades for gold and copper for 3Q2023 are opportunistically almost the same when compared with the same period in 3Q2022, as well as with 2Q2023 and even 1Q2023. Gold output for 3Q2023 dipped to 8,775 ounces, lower than the 10,300 ounces of 2Q2023 and the 12,144 ounces of 3Q2022.

Copper output for 3Q2023 at 5.223 million pounds was also lower than the 5.642 million pounds of 2Q2023 and the 6.382 million pounds in 3Q2022.

Total gold output for 9M2023 stood at 29,136 ounces while copper output was at 16.396 million pounds, lower by 22% and 14%, respectively when compared with the same period in 2022.

OPERATING EXPENSES

Operating costs and expenses for 3Q2023 at Php1.634 billion were lower than the same period in 3Q2022 at Php1.800 billion and the Php1.701 billion in 2Q2023. This was due to the lower tonnage milled and continued implementation of efficiency measures in operations which mitigated the increases in the purchase costs of the materials and supplies, as well as equipment parts and repairs. Power costs however continued to raise operating expenses despite lower production level.

Total operating costs and expenses for 9M2023 at Php4.972 billion was lower, as expected, than the Php5.118 billion for the same period in 2022.

SILANGAN PROJECT

Development works continue on the Silangan Copper and Gold Project (“Silangan”) in Surigao del Norte with the ongoing tunneling works, breaching more than 35% of the distance towards the ore body. Clearing works and access road to the tailings storage facility (“TSF”) area are nearing completion with the issuance of the permit by the Municipality of Sison, Surigao del Norte for the construction of the TSF. Management is set to award the general contract works for the tailings storage facility as well as the process plant EPCM or EPC contractor this November 2023. Likewise, the project footprint area had been secured.

On community and Government relations, Silangan has never been more involved with its host and neighboring communities. Close partnerships with local government units started decades ago and will continue to be nurtured.

The Company is set to sign this month the syndicated debt facility that will complete the funding requirements of Silangan. The debt syndication is led by BDO Capital and Investment Corporation and aims to raise a minimum of US\$100 million. This new credit facility completes the full funding of Silangan after last year’s stock rights offering (SRO) and the capital infusion from the Company out of its cash reserves.

OUTLOOK

Despite the challenges faced in the first nine months of the year, our outlook still remains positive, given the new mining opportunities ahead of the Company.

Philex President and CEO Eulalio B. Austin Jr. said that, aside from exploring the vicinity of Padcal Mine, the Company is also studying the viability of exhausting reserves in the

Padcal under the current drain tunnel, which could again extend Padcal's mine life beyond 2027. The drain tunnel services all the water from the mine towards the TSF.

"If the study yields positive results, this could further extend Padcal's mine life beyond 2027. Hopefully, we can have the initial results by the end of the year," Austin said. "Meanwhile at Silangan, we are progressing with the driving of the decline to access the ore body which we expect to reach by the second half of 2024."

According to Philex Chairman Manuel V. Pangilinan, the Company is also looking at expanding into nickel mining to meet the increasing demand of the mineral by the electric vehicle industry. "We are prospecting for nickel resources to develop in this country because the future for electric vehicles is bright, so we have to be in well-positioned for this opportunity." Pangilinan said.

Pangilinan also emphasized that "in many respects, sustainability rests on green technology – and by extension, reliance on mining would continue." END

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Disclaimer on Forward Looking Statements

This press release may contain forward looking statements with respect to the results of operations and business of PX. Such forward looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual performance of PX to be different from any future performance implied.

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

| | September 30 2023 (Unaudited) | December 31 2022 (Audited) |
|---|--|---|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | P 4,698,973 | P 3,925,296 |
| Accounts receivable - net | 404,024 | 580,621 |
| Inventories - net | 1,772,054 | 1,151,089 |
| Derivative assets | 24,700 | - |
| Other current assets - net | 1,108,730 | 765,754 |
| Total Current Assets | 8,008,481 | 6,422,760 |
| Noncurrent Assets | | |
| Deferred exploration costs | 30,308,078 | 29,491,920 |
| Investment in associates - net | 3,586,403 | 3,605,677 |
| Property, plant and equipment - net | 3,180,133 | 2,729,865 |
| Pension asset - net | 335,731 | 340,725 |
| Financial assets measured at fair value through other comprehensive income (FVOCI) | 145,207 | 145,207 |
| Other noncurrent assets | 559,256 | 522,595 |
| Total Noncurrent Assets | 38,114,808 | 36,835,989 |
| TOTAL ASSETS | P 46,123,289 | P 43,258,749 |
| LIABILITIES AND EQUITY | | |
| Current Liabilities | | |
| Loans payable | P 1,697,250 | P 1,616,895 |
| Accounts payable and accrued liabilities | 3,395,565 | 2,670,983 |
| Subscription payable | 2,767 | 2,767 |
| Income tax payable | 35,983 | 124,351 |
| Dividends payable | 256,236 | 343,346 |
| Total Current Liabilities | 5,387,801 | 4,758,342 |
| Noncurrent Liabilities | | |
| Loans and bonds Payable | 7,451,555 | 5,907,961 |
| Deferred tax liabilities - net | 1,666,373 | 1,720,847 |
| Provision for losses and mine rehabilitation costs | 2,342 | 2,342 |
| Total Noncurrent Liabilities | 9,120,270 | 7,631,150 |
| Total Liabilities | 14,508,071 | 12,389,492 |
| Equity Attributable to Equity Holders of the Parent Company | | |
| Capital stock - P1 par value | 5,782,399 | 5,782,399 |
| Additional paid-in capital | 2,885,163 | 2,885,163 |
| Retained earnings | | |
| Unappropriated | 9,218,531 | 8,493,736 |
| Appropriated | 10,500,000 | 10,500,000 |
| Net unrealized gain on financial assets measured at FVOCI and derivative | 76,036 | 54,870 |
| Equity Conversion option | 857,863 | 857,863 |
| Equity Reserves | 367,655 | 367,655 |
| Net revaluation surplus | 1,849,971 | 1,849,971 |
| Effect of transactions with non-controlling interests | 77,892 | 77,892 |
| | 31,615,510 | 30,869,549 |
| Non-controlling Interests | (292) | (292) |
| Total Equity | 31,615,218 | 30,869,257 |
| TOTAL LIABILITIES & EQUITY | P 46,123,289 | P 43,258,749 |

PHILEX MINING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2023
(Amounts in Peso Thousands, Except Earnings Per Share)

| | UNAUDITED | | | | |
|--|-------------------------|-------------------------|-------------------------|---------------------------|---------------------------|
| | 2023 | | | | 2022 |
| | 1Q | 2Q | 3Q | 9M | 9M |
| REVENUES | P 2,105,356 | P 2,051,110 | P 1,801,675 | P 5,958,141 | P 7,058,117 |
| COSTS AND EXPENSES | | | | | |
| Production costs | 1,260,757 | 1,314,474 | 1,292,290 | 3,867,521 | 3,431,437 |
| Depletion, amortization and depreciation | 167,081 | 190,804 | 167,567 | 525,452 | 1,049,371 |
| Excise taxes and royalties | 145,168 | 140,124 | 117,216 | 402,508 | 455,388 |
| General and administrative expenses | 63,338 | 55,902 | 56,934 | 176,174 | 182,000 |
| | <u>1,636,344</u> | <u>1,701,304</u> | <u>1,634,007</u> | <u>4,971,655</u> | <u>5,118,196</u> |
| OTHER INCOME (CHARGES) | | | | | |
| Foreign exchange gain (loss) - net | 26,234 | 1,255 | (30,643) | (3,154) | 127,995 |
| Interest income | 5,134 | 11,517 | 23,519 | 40,170 | 10,817 |
| Share in net losses of associates | (5,372) | (6,691) | (7,211) | (19,274) | (13,974) |
| Others - net | (16,023) | 16,002 | 5,819 | 5,799 | (21,757) |
| | <u>9,973</u> | <u>22,084</u> | <u>(8,516)</u> | <u>23,541</u> | <u>103,081</u> |
| INCOME BEFORE INCOME TAX | 478,985 | 371,890 | 159,152 | 1,010,027 | 2,043,002 |
| PROVISION FOR (BENEFIT FROM) INCOME TAX | | | | | |
| Current | 121,750 | 53,846 | 36,052 | 211,649 | 590,825 |
| Deferred | (32,338) | 3,481 | (16,740) | (45,597) | (186,727) |
| | <u>89,412</u> | <u>57,327</u> | <u>19,312</u> | <u>166,051</u> | <u>404,098</u> |
| NET INCOME | <u>P 389,573</u> | <u>P 314,563</u> | <u>P 139,840</u> | <u>P 843,976</u> | <u>P 1,638,904</u> |
| NET INCOME ATTRIBUTABLE TO: | | | | | |
| Equity holders of the Parent Company | 389,573 | 314,563 | 139,840 | 843,976 | 1,638,904 |
| Non-controlling interests | - | - | - | - | - |
| | <u>P 389,573</u> | <u>P 314,563</u> | <u>P 139,840</u> | <u>P 843,976</u> | <u>P 1,638,904</u> |
| CORE NET INCOME | <u>P 387,897</u> | <u>P 313,621</u> | <u>P 162,822</u> | <u>P 864,340</u> | <u>P 1,542,908</u> |
| BASIC/DILUTED EARNINGS PER SHARE | <u>P 0.067</u> | <u>P 0.054</u> | <u>P 0.024</u> | <u>P 0.146</u> | <u>P 0.320</u> |
| CORE NET INCOME PER SHARE | <u>P 0.067</u> | <u>P 0.054</u> | <u>P 0.028</u> | <u>P 0.149</u> | <u>P 0.301</u> |
| EBITDA | <u>P 634,964</u> | <u>P 553,281</u> | <u>P 337,181</u> | <u>P 1,525,426</u> | <u>P 2,963,976</u> |