

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. **February 29, 2024**
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 DELIVERS PHP963 MILLION CORE NET INCOME FOR 2023 AS SILANGAN PROJECT NOW MIDWAY ON ITS UNDERGROUND DECLINE DEVELOPMENT

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

February 29, 2024
Date

(Original Signed)

ROMEO B. BACHOCO
Chief Finance Officer & Chief Compliance Officer

29 February 2024

PRESS RELEASE

**PHILEX MINING DELIVERS PHP963 MILLION CORE NET INCOME FOR 2023
AS SILANGAN PROJECT NOW MIDWAY ON ITS UNDERGROUND DECLINE
DEVELOPMENT**

HIGHLIGHTS

- **Net Income reached Php1.018 billion for full year 2023**
- **Core Net Income declined to Php963 million from Php1.733 billion in 2022 due to lower tonnage milled and elevated operating cost and expenses**
- **Sustained favorable metal prices and foreign exchange rates cushioned the impact of elevated operating cost and expenses**
- **Declaration of 2 centavos cash dividend per common share, aggregating Php116 million**
- **Silangan Project development works continue with the completion of the funding requirement**

(MANILA, PHILIPPINES) – Philex Mining Corporation (the “Company”), one of the oldest and largest gold and copper producers in Southeast Asia, announced the completion of its financial results for FY2023.

The Company added Php98 million core net income in 4Q2023 to the Php865 million core net income for the first nine months ended September 30, 2023, which registered the full year core net income at Php963 million. Tonnage milled for 4Q2023 declined by 4% from its 3Q2023 levels resulted to lower core net income contribution of 4Q2023. Sustained realized Gold prices in 4Q2023 cushioned the negative impact to core net income of the lower tonnage milled as foreign exchange rate depreciated by about 2% from its 3Q2023 levels.

Operating revenues decreased to Php7.726 billion in 2023 from Php9.262 billion in 2022. Operating revenues in 4Q2023 at Php1.768 billion was lower compared to Php2.203 billion in 4Q2022, but this was offset by the higher operating revenues in the first nine months of FY2023. Total tonnage milled for 2023 declined by 7.8% resulting to lower operating revenues for the year.

Realized Gold prices were also at their highest levels in FY2023 reaching \$1,964 per ounce in the fourth quarter, while Copper peaked at \$4.00 per pound in the first quarter before it settled at an average \$3.76 per pound for the remainder of the year.

PRODUCTION

Tonnage milled for 4Q2023 was at 1.628 million tonnes, slightly lower than the 1.693 million tonnes in 3Q2023, but much lower than the 1.878 million tonnes of 4Q2022. The total tonnage milled in 2023 reached 6.853 million tonnes, lower than the 7.432 million tonnes for 2022. Gold ore grades declined by 9% and Copper ore grades declined by 6%. Gold output in 4Q2023 reached 8,647 ounces adding to the 29,137 ounces for the three quarters ended September 2023, ending the year with 37,784 ounces, lower by 22% than the 48,567 ounces' gold output for 2022. Copper output for 4Q2023 was 4.903 million pounds adding to the 16.396 million pounds produced for the first three quarters of 2023 and ending the full year Copper output at 21.298 million pounds, lower than the 25.086 million pounds 2022 output.

OPERATING COSTS AND EXPENSES AND EBITDA

Operating cost and expenses decreased by 6% at Php6.673 billion for 2023 compared to the Php7.120 billion for 2022. This is mainly on account of the 7.8% decline in tonnage milled, offset by the impact of the elevated cost of materials and supplies. 4Q2023 operating costs and expenses were at Php1.701 billion compared to Php2.002 billion of the same period in 2022.

The EBITDA level for 2023 was at Php1.784 billion compared to Php3.524 billion in 2022.

The performance in 2023 allowed the Board to declare a cash dividend of 2 centavos (Php0.02) per common share aggregating to Php116 million, to shareholders on record as of March 15, 2024, which will be paid on March 27, 2024.

SILANGAN PROJECT DEVELOPMENT

The Silangan Mindanao Mining Co. Inc. ("SMMCI", a wholly owned subsidiary) and the Company recently signed the Deed of Accession for additional US\$70 million with the additional member banks who syndicated the credit facility to complete the total loan facility of US\$170 million needed to bring the Silangan Project into commercial operation by first quarter of 2025.

The underground tunneling works has reached the 354 meters out of the 552 meters where the production levels of the Boyongan ore body will be located. The initial works at the tailings storage facilities has started while the tendering process for the various packages of the process plant is on-going with the packages for the long lead items needed for the process plant already awarded to various global suppliers.

OUTLOOK

For 2024, the Company will continue to strongly support mining as one of the country's economic growth catalysts. It has, thus, set out to "leave no stone unturned" at the

Padcal mine while accelerating the development of the Silangan Project as well as pursuing business activities related to the trending green metals technology. The Company would also continue to enhance ESG practices and the unceasing promotion of its brand of right and principled mining, as well as drum up awareness and interest in Silangan.

“Our Padcal mine still has the potential,” says Eulalio B. Austin, Jr., Philex president and CEO. “Thus, for this year, we will pursue our re-fleeting of critical equipment, continue optimizing the current ore body, as well as engage in relentless power optimization improvements and aggressive training of our employees. These are aside from further exploring the vicinity of Padcal Mine.”

According to Austin Jr., “For Silangan, since our initial capex funding is already in place, we will complete the main decline to the ore body as well as start the driving of production lines that would serve as sources for initial ore production. The construction of the processing plant and tailings storage facility, as well as other surface infrastructures, will commence this year.”

“Silangan will be the next big thing in the mining industry,” according to Philex Chairman Manuel V. Pangilinan. “There is excitement both in the public and private sector as to its much anticipated opening, but we will continue to build up awareness and interest on this project to attract new investors and lenders so we can accelerate its ramp-up. The conditions for this right now are favorable and we hope that this can be sustained throughout the year.”

“Moreover,” Pangilinan adds, “we shall continue pursuing our other business development activities to ride on the current trend towards green metals technology. We hope to complete the evaluation of our nickel tenement in Zambales, and pursue other possible M&A prospects.”

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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 Philex Mining Corporation (“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 (AUDITED)
(Amounts in Peso Thousands, except Par Value Per Share)

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	P 3,814,350	P 3,925,296
Accounts receivable - net	405,641	580,621
Inventories - net	1,245,128	1,151,089
Other current assets - net	737,399	765,754
Total Current Assets	6,202,518	6,422,760
Noncurrent Assets		
Deferred exploration costs	30,721,524	29,491,920
Investment in associates - net	3,575,019	3,605,677
Property, plant and equipment - net	3,356,714	2,729,865
Pension asset - net	180,388	340,725
Financial assets measured at fair value through other comprehensive income (FVOCI)	177,394	145,207
Other noncurrent assets	1,197,785	522,595
Total Noncurrent Assets	39,208,824	36,835,989
TOTAL ASSETS	P 45,411,342	P 43,258,749
LIABILITIES AND EQUITY		
Current Liabilities		
Loans payable	P 1,882,580	P 1,616,895
Accounts payable and accrued liabilities	2,768,034	2,670,983
Subscription payable	2,767	2,767
Income tax payable	41,638	124,351
Dividends payable	224,257	343,346
Total Current Liabilities	4,919,276	4,758,342
Noncurrent Liabilities		
Loans and bonds Payable	7,246,489	5,907,961
Deferred tax liabilities - net	1,555,037	1,720,847
Provision for losses and mine rehabilitation costs	2,342	2,342
Total Noncurrent Liabilities	8,803,868	7,631,150
Total Liabilities	13,723,144	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	9,287,207	8,493,736
Appropriated	10,500,000	10,500,000
Net unrealized gain on financial assets measured at FVOCI and derivative	80,346	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
	31,688,496	30,869,549
Non-controlling Interests	(298)	(292)
Total Equity	31,688,198	30,869,257
TOTAL LIABILITIES & EQUITY	P 45,411,342	P 43,258,749

PHILEX MINING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (AUDITED)
(Amounts in Peso Thousands, Except Earnings Per Share)

	Year Ended December 31	
	2023	2022
REVENUES	P 7,726,058	P 9,261,576
COSTS AND EXPENSES		
Production costs	5,209,185	4,864,929
Depletion, amortization and depreciation	698,416	1,413,250
Excise taxes and royalties	522,500	591,905
General and administrative expenses	242,418	249,640
	<u>6,672,519</u>	<u>7,119,724</u>
OTHER (CHARGES) INCOME		
Foreign exchange gain - net	22,043	82,703
Interest income	58,381	25,045
Share in net losses of associates	(30,658)	(26,804)
Reversal of impairment losses - net of other provisions reversals and gain	-	125,664
Others - net	49,268	(19,705)
	<u>99,034</u>	<u>186,903</u>
INCOME BEFORE INCOME TAX	1,152,573	2,328,755
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	253,330	838,743
Deferred	(118,759)	(305,501)
	<u>134,571</u>	<u>533,242</u>
NET INCOME	P 1,018,002	P 1,795,513
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent Company	1,018,008	1,795,517
Non-controlling interests	(6)	(4)
	<u>P 1,018,002</u>	<u>P 1,795,513</u>
CORE NET INCOME	P 962,558	P 1,732,741
BASIC/DILUTED EARNINGS PER SHARE	P 0.176	P 0.339
CORE NET INCOME PER SHARE	P 0.166	P 0.327
EBITDA	P 1,784,003	P 3,523,544