



PHILEX MINING
CORPORATION



Full Year 2018
Financial and Operating Results
25 March 2019

Silangan Project Updates

- Silangan mega project set to launch by 2022
- Strong indications of superior ore grades and higher mineral resource estimates
- Definitive feasibility studies of the first of four planned phases to conclude in May 2019; First phase to cover 21 years
- Project tenements consists of three deposit areas: Boyongan, Bayugo and Kalayaan
- Target to obtain major permits for underground mining by the 2nd quarter

Full Year 2018 Results Highlights

- Core Net Income at P600 Million
- Net Income at P608 Million
- Consolidated EBITDA at P2.493 Billion
- US\$8 million Net Loan Repayments

Operating Statistics

	2018	2017	+/-
Tonnes Milled ('000)	8,517	8,673	-2%
Production:			
Gold – oz	61,977	84,638	-27%
Copper – lbs ('000)	26,575	30,118	-12%
Recovery:			
Gold	76%	81%	-5%
Copper	78%	82%	-4%
Ore Grade:			
Gold – gms/dmt	0.298	0.377	-21%
Copper - %	0.181	0.192	-6%
Prices:			
Gold – (US\$/oz)	1,294	1,273	2%
Copper – (US\$/lb)	2.92	2.96	-1%

- **Tonnes Milled:** Lesser operating days, mechanical issues and limited ore sources
- **Production:** Depleting ore grades and lower metal recovery

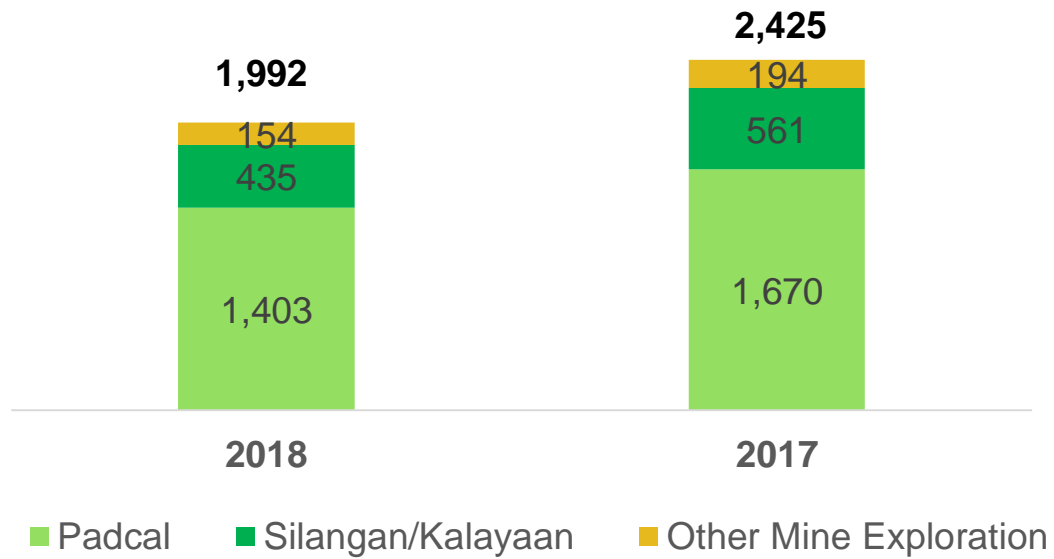
Financial Summary

<i>(in Php mn)</i>	2018	2017	+/-
Gross Revenues	8,314	9,985	-17%
Smelting Charges	674	842	-20%
Net Revenues	7,640	9,142	-16%
Costs and Expenses	6,821	6,778	-
Other Income (Charges)	(69)	2	-
Income Tax	(76)	(709)	-
Net Income	608	1,658	-63%
Core Net Income	600	1,686	-64%
EBITDA	2,493	3,977	-37%
Margins:			
EBITDA Margin (%)	33%	44%	-11%
Operating Margin (%)	11%	26%	-15%

- **Revenues:** Lighter tonnage and declining head grade
- **Cost and Expenses:** Controlled expenses due to company-wide cost management initiatives
- **Other Income (Charges):** Related to foreign exchange losses

Capital Expenditure

CAPEX Distribution
(in Php mn)



Balance Sheet

<i>(in Php mn)</i>	2018	2017
Cash & Cash Equivalents	871	584
Receivables & Others	3,582	5,683
Total Current Assets	4,453	6,267
Property, Plant & Equipment	5,404	6,721
Deferred Exploration Costs	25,448	24,361
Others	5,406	2,330
Total Assets	40,712	39,679
Short-Term Debt	2,156	2,447
Others	4,655	2,410
Total Current Liabilities	6,811	4,857
Bonds Payable	7,333	6,950
Deferred Tax Liab. & Others	2,869	3,654
Total Liabilities	17,012	14,947
Total Equity	23,700	24,732

- **Investment in Associate:** Additional equity investment in PXP Energy
- **Short-Term Debt:** Net repayment of US\$8 million in parent company debt

PXP Energy and Other Assets

- Potential resumption of exploration activities in SC 72
- Increased equity ownership in PXP Energy from 19.8% to 30.4%
 - Paid P770 million or 25% of the total subscribed portion in December 2018
 - Settled additional P1.387 billion equivalent to 45% of the total subscribed portion in February 2019
- Scouting for potential partners to develop certain core and non-core assets