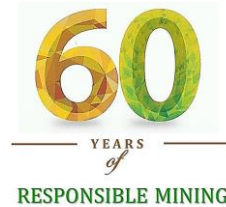




**PHILEX MINING
CORPORATION**



07 May 2019

PHILEX MINING REPORTS P206 MILLION NET INCOME FOR 1Q 2019

HIGHLIGHTS

- **Concentrated efforts to maximize cash generation capabilities of Padcal towards the end of mine life**
- **Reported net income of P206 Million; Core net loss of P112 Million**
- **Controlled expenses resulting from cost containment initiatives implemented across the business**
- **Silangan actively working to complete required underground mining permits**
- **Ongoing definitive feasibility studies expected to conclude by early third quarter 2019**

Manila, Philippines – The Board of Directors of Philex Mining Corporation, today announced a reported net income of P206 million for the first quarter of 2019. Excluding non-recurring gains, core net loss stood at P112 million substantially weighed down by weaker metal production arising from declining ore grades.

“As it nears the end of mine life, we have centered efforts on maximizing the remaining cash generation capacity of Padcal,” said Mr. Eulalio B. Austin Jr., President and Chief Executive Officer of Philex Mining Corporation.

Total tonnes milled was at 1.832 million from 2.197 million in the first quarter of 2018. Diminishing mineral grades are typically encountered when drawing ore outside of the core of the deposit. Moreover, metal output was affected by unscheduled maintenance of some mining equipment and forest fire incidents around the mine camp that caused power outages and the immediate deployment of operations personnel to aid in fire suppression. As a result, gold and copper production were at 10,493 ounces and 5.727 million pounds versus previous year’s levels of 17,947 ounces and 7.073 million pounds, respectively.

Gross revenues posted at P1.613 billion from P2.373 billion while smelting charges decreased to P137 million from P207 million in the first quarter of 2018. Net revenues came in at P1.476 billion from P2.165 billion in the first quarter of 2018.

Average realized prices for gold and copper were at \$1,304 per ounce and \$2.96 per pound as compared to \$1,338 per ounce and \$3.10 per pound year-on-year.

Cost and Expenses

Production costs increased by 1% to P1.074 billion from P1.064 billion in the first quarter of 2018 mainly due to the periodic maintenance of critical mining equipment.

Depletion, depreciation and amortization decreased by 20% to P327 million from P409 million in the first quarter of 2018 was directly attributable to lower tonnage.

Excise taxes and royalties decreased by 34% to P94 million from P143 million in the first quarter of 2018 owing to lower revenues.

General and administrative expenses decreased by 13% to P71 million from P81 million in the first quarter of 2018 due to the continuous implementation of cost rationalization programs across the business.

Looking ahead, the Company will continue to implement operational enhancements to improve its financial performance in the subsequent quarters. Still, its efforts will primarily be focused on the development of its Silangan project.

Meanwhile, the Company is closely coordinating with various regulatory bodies to facilitate compliance with all pertinent submissions and other permitting requirements. It is also in the process of appointing financial equity and project financing advisors for Silangan.

Likewise, the Company expects lead technical consultant Australian-based engineering firm Ausenco to conclude ongoing definitive feasibility studies by early third quarter of this year.

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

	March 31 2019 (Unaudited)	December 31 2018 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	262,398	870,967
Accounts receivable - net	248,093	300,016
Inventories - net	1,445,348	1,137,581
Advances to a related party	739,484	1,387,370
Derivative assets	899	-
Other current assets -net	744,185	757,292
Total Current Assets	3,440,407	4,453,226
Noncurrent Assets		
Property, plant and equipment - net	4,987,243	5,404,049
Financial assets measured at fair value through other comprehensive income (FVOCI)	118,033	118,033
Investment in associates - net	4,444,951	4,455,668
Deferred exploration costs	25,771,392	25,447,772
Pension asset - net	355,695	359,888
Other noncurrent assets	482,344	472,898
Total Noncurrent Assets	36,159,658	36,258,308
TOTAL ASSETS	39,600,065	40,711,534
LIABILITIES AND EQUITY		
Current Liabilities		
Loans payable	2,152,500	2,155,780
Accounts payable and accrued liabilities	1,782,658	1,790,957
Subscription payable	926,531	2,312,981
Total Current Liabilities	4,861,689	6,259,718
Noncurrent Liabilities		
Deferred tax liabilities - net	2,782,050	2,789,813
Loans and bonds payable	7,419,259	7,333,096
Provision for losses and mine rehabilitation costs	79,584	78,707
Other payables	550,881	550,995
Total Noncurrent Liabilities	10,831,774	10,752,611
Total Liabilities	15,693,463	17,012,329
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	4,410,445	4,203,947
Appropriated	10,500,000	10,500,000
Net unrealized gain on financial assets measured at FVOCI	35,341	35,341
Equity conversion option	1,225,518	1,225,518
Cumulative gain on hedging instruments	899	-
Net revaluation surplus	1,572,385	1,572,385
Effect of transactions with non-controlling interests	77,892	77,892
	23,906,860	23,699,463
Non-controlling Interests	(258)	(258)
Total equity	23,906,602	23,699,205
TOTAL LIABILITIES & EQUITY	39,600,065	40,711,534

PHILEX MINING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2019 AND 2018
(Amounts in Peso Thousands, except Earnings Per Share)

	THREE MONTHS ENDED	
	MARCH 31	
	2019	2018
REVENUES - NET	1,475,697	2,165,298
COSTS AND EXPENSES		
Production costs	1,074,224	1,063,565
Depletion, depreciation and amortization	326,983	408,780
General and administrative expenses	70,888	81,484
Excise taxes and royalties	93,874	143,079
	1,565,969	1,696,908
INCOME (LOSS) FROM OPERATIONS	(90,272)	468,390
OTHER INCOME(CHARGES)		
Foreign exchange gains (losses) - net	941	(61,726)
Interest income - net	231	317
Share in net losses of associates	(10,717)	(6,463)
Others - net	303,509	32,806
	293,964	(35,066)
INCOME BEFORE INCOME TAX	203,692	433,324
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	-	61,657
Deferred	(2,806)	68,900
	(2,806)	130,557
NET INCOME	206,498	302,767
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent Company	206,498	302,767
Non-controlling interests	-	-
	206,498	302,767
CORE NET INCOME (LOSS)	(111,589)	345,976
BASIC EARNINGS PER SHARE	0.0418	0.0613
DILUTED EARNINGS PER SHARE	0.0418	0.0613
CORE NET INCOME (LOSS) PER SHARE	(0.0226)	0.0700