



**NINE MONTHS 2015
OPERATING AND
FINANCIAL RESULTS**

29 October 2015

9M2015 Highlights

- **Additional 20M tonnes of reserves declared in 800-600ML to extend life of mine by two years to 2022**
- **3Q2015 production highest in three quarters**
- **9M2015 quarterly operating cost per tonne continue to decline**
- **YTD Core Income of P811M amid weaker metal prices**



Metals

20M Tonnes of Additional Reserves to Extend Life of Mine by two years to 2022

PROVED RESERVES As of December 31, 2014					
ORE SOURCES	Tonnes (MT)	Cu (%)	Au (Grams/Tonne)	Recoverable Cu (000 lbs)	Recoverable Au (ozs)
908-ML	5,500,000	0.18	0.44	18,600	63,000
798-ML*	32,200,000	0.20	0.38	116,100	310,400
782-ML	23,600,000	0.21	0.41	88,700	248,300
760/745-ML	6,500,000	0.20	0.49	23,000	81,100
730-ML	7,100,000	0.21	0.47	27,500	83,600
700-ML	4,700,000	0.20	0.44	17,400	53,300
Total Reserves	79,600,000	0.20	0.41	291,300	839,700

- ✓ Average gold grade of 0.42 g/t and copper grade of 0.21%
- ✓ Contains 74.3M pounds of copper and 217,200 ounces of gold

*1.6M tonnes out of this total

9M2015 Operating Statistics

	9M2015	9M2014	Inc (Dec)
Tonnes Milled ('000)	6,892	7,161	-4%
Operating Days	269	269	-
Production			
Gold – ozs	81,599	78,744	4%
Copper - lbs ('000)	25,712	26,839	-4%
Recovery			
Gold	84%	78%	7%
Copper	82%	79%	4%
Ore Grade			
Gold - gms/DMT	0.440	0.438	-%
Copper - %	0.205	0.215	-5%
Prices			
Gold (US\$/ounce)	1,171	1,299	-10%
Copper (US\$/pound)	2.45	3.03	-19%

➤ **Tonnage affected by upgrades and maintenance**

➤ **Lower copper production due to drop in tonnage and lower copper grade**

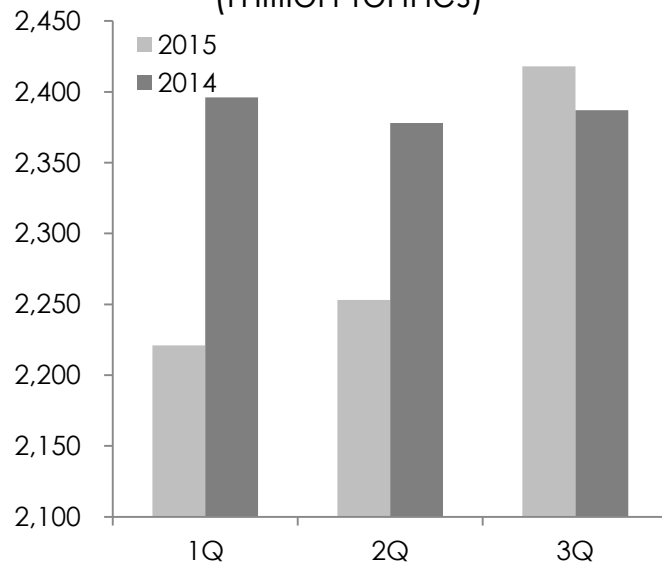
➤ **Improved metal recovery due to operational enhancements**

9M2015 Quarterly Production

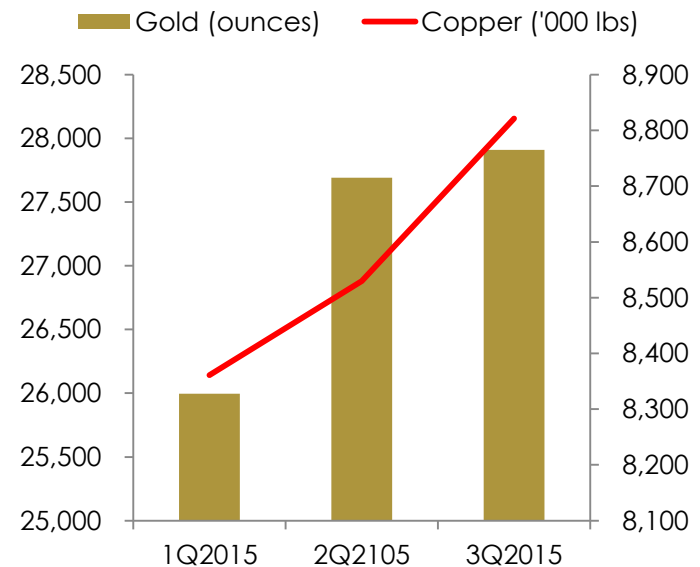
- **3Q15 tonnage at 2.4M tonnes up 1% YoY**
(vs quarterly average of 2.3M tonnes)

- **3Q15 gold output at 27.9 ozs up 5% YoY**
(vs quarterly average of 27.2 ozs)
- **3Q15 copper output at 8.82M lbs up 2% YoY**
(vs quarterly average of 8.57M lbs)

Ore Milled (million tonnes)



Metal Production

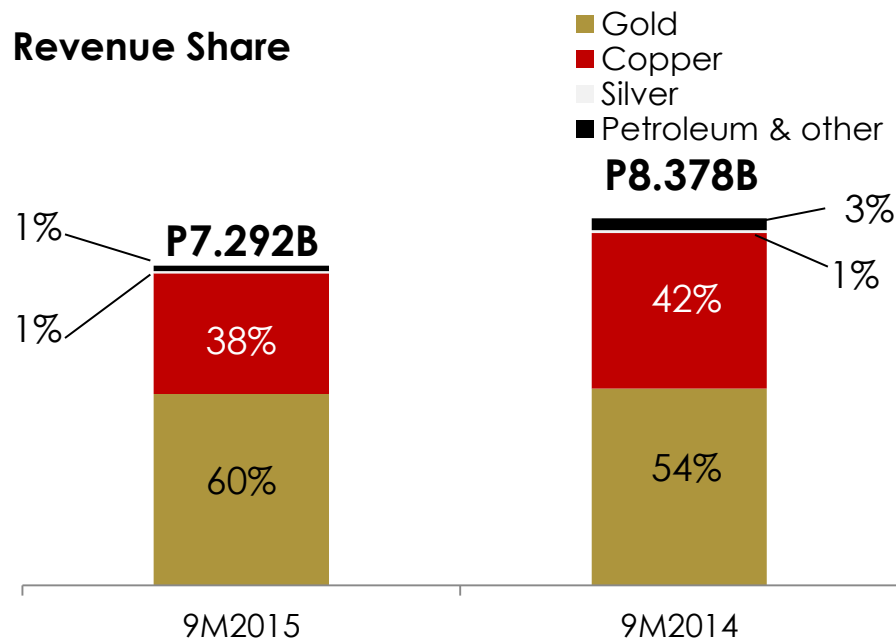


9M2015 Financial Highlights

<i>(in PHP million, unless indicated)</i>	9M2015	9M2014	<i>Inc/(dec)</i>
Gross Revenue	7,292	8,378	-13%
Marketing Charges	627	636	-1%
Cost & Expenses	5,612	6,430	-13%
Income from Operations	1,053	1,312	-13%
Other Inc / (charges)	54	55	-
Provision for Tax	(350)	(416)	-16%
Net Income	756	951	-20%
Equity Holders of Parent	851	1,205	-29%
Core Net Income	811	901	-10%
EBITDA	2,235	2,516	-11%
Operating margin	16%	17%	-6%
EBITDA Margin	34%	33%	3%

- **Revenue negatively impacted by weak metal prices**
- **Reduction in cost & expenses traced to rightsizing and strict cost containment**
- **Net income affected by low metal prices despite cost-cutting**

9M2015 Revenue Breakdown



REVENUE PER PRODUCT (PhP million)			
	9M2015	9M2014	Inc (Dec)
Gold	4,366	4,493	-3%
Copper	2,752	3,548	-22%
Silver	55	61	-5%
Petroleum & others	119	275	-57%
TOTAL	7,292	8,378	-13%

9M2015 Cost and Expenses

(in PHP million)	9M2015	9M2014	Inc (Dec)
Production cost			
Materials & Supplies	1,199	1,444	-17%
Power	1,302	1,301	0%
Labor	666	856	-22%
Contracts	196	204	-4%
Others	162	184	-12%
Cash Production cost	3,525	3,989	-12%
Depreciation & Amortization	1,127	1,179	-4%
Total Production Cost	4,653	5,168	-10%
Excise Tax & Royalties	345	398	-13%
Operating Cost (Mining)	4,997	5,566	-10%
G&A (Mining)	330	516	-36%
All-in Operating Cost (Mining)	5,327	6,082	-12%
PPC & Silangan expenses	285	348	-18%
TOTAL COST AND EXPENSES	5,612	6,430	-13%

- **Lower production cost attributed to:**
 - ✓ More efficient use of ball mills and reagents
 - ✓ Drop in fuel costs
 - ✓ Reduction in overhead expenses

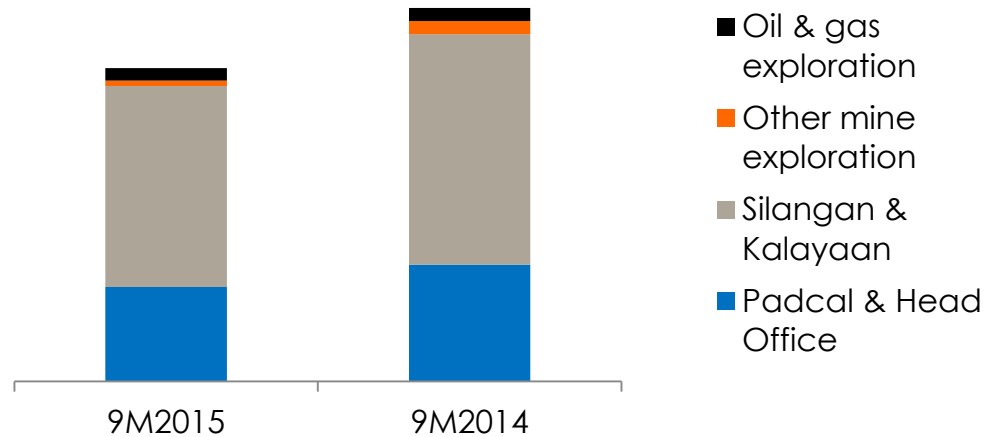
- **36% drop in Parent G&A due to manpower rightsizing and relentless cost control**

Quarterly Cost per Tonne

	QUARTERLY PERFORMANCE			YTD AVERAGE	
<i>(P/tonne)</i>	1Q	2Q	3Q	9M15	9M14
Cash Production	535	509	492	512	557
Operating Cost	844	817	790	816	844

9M2015 Capital Expenditures

CAPITAL EXPENDITURE PERFORMANCE



CAPITAL EXPENDITURE BREAKDOWN

(PhP million)

	9M2015	9M2014
Padcal & Head Office	1,138	1,409
Silangan & Kalayaan	2,426	2,779
Other mine exploration	66	161
Oil & gas exploration	151	157
TOTAL	3,781	4,507

9M2015 Breakeven Analysis

COST STRUCTURE (excluding G&A)			
	9M2015	9M2014	Variance
Cost per Tonne			
Cash Production Cost	512	557	-8%
Depreciation	164	165	-
Total	675	722	-7%
Operating cost*	816	866	-6%
Operating Cost per Metal			
Co-production method			
Gold (\$/oz)	919	990	-7%
Copper (\$/lb)	1.92	2.31	-17%
By-product credits method			
Gold (\$/oz)			
Before by-product credits	1,525	1,778	-14%
After by-product credits	738	726	2%
Copper (\$/lb)			
Before by-product credits	4.84	5.22	-7%
After by-product credits	1.08	1.35	-20%

*Includes production cost plus excise tax, royalties and marketing expenses, but excludes Head Office overhead

End-Sept 2015 Financial Position

ASSETS (in PHP million)

	As of Sept. 30, 2015	As of Dec 31, 2014	Inc (Dec)
Cash & cash equivalents	2,543	5,232	-51%
Receivables & others	3,538	4,299	-18%
Current assets	6,081	9,530	-36%
Property, plant & equipment	7,086	7,139	-1%
Deferred exploration costs/others	30,351	27,971	9%
Total assets	43,518	44,640	-3%

- Sustained investments in Silangan and Padcal increase deferred exploration costs

LIABILITIES AND STOCKHOLDERS' EQUITY

(in PHP million)

	As of Sept. 30, 2015	As of Dec 31, 2014	Inc (Dec)
Short-term debt	3,482	4,308	-19%
Others	2,590	3,215	-19%
Current liabilities	6,072	7,523	-19%
Bonds Payable	6,168	5,947	4%
Deferred income tax liability/others	4,336	4,128	5%
Total liabilities	16,576	17,599	-6%
Capital stock, RE & others	24,215	23,599	3%
Non-controlling interest	2,727	3,442	-21%
Total equity	26,942	27,042	0%
Total Liabilities and SHE	43,518	44,640	-3%

- Repayment of P713 million in local bank loans reduced Parent Company debt to P3.6B

SELECTED FINANCIAL RATIOS

Current Ratio	1.1:1	1.3:1
Debt-to-equity Ratio	38:62	39:61
Net debt/(cash)-to-equity Ratio	52:48	46:54

9M2015 Cash Flows

(In PHP millions)	9M2015	9M2014	Inc/(dec)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	1,106	1,367	-19%
Adjustments for:			
Depletion and depreciation	1,155	1,198	-4%
Gain on sale of asset	(107)	-	
Others	204	368	-45%
Change in working capital	(75)	(1,058)	-93%
Net cash flows from operating activities	2,432	1,386	75%
CASHFLOWS FROM INVESTING ACTIVITIES			
Deferred exploration costs/other noncurrent assets	(2,635)	(3,098)	-15%
Property, plant and equipment	(1,146)	(1,409)	-19%
Net proceeds from sale of AFS financial asset	297	-	
Share buyback	(620)	-	
Net cash flows used in investing activities	(4,104)	(4,507)	-9%
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of loans	(2,629)	(993)	165%
Availment of loans	1,643	2,196	-25%
Dividends paid	(99)	(247)	-60%
Net cash from (used in) financing activities	(1,085)	956	-213%
EFFECT OF EXCHANGE RATE CHANGES	67	(29)	-333%
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,689)	(2,194)	23%
CASH AND CASH EQUIVALENTS (BEGINNING)	5,232	4,081	28%
CASH AND CASH EQUIVALENTS (END OF PERIOD)	2,543	1,887	35%



Silangan Mindanao Mining Company Inc.

Silangan Project Update

Silangan Project Update

- **Definitive Feasibility Study**
 - ✓ Option studies on alternative tailings disposal method
 - ✓ Extended value engineering on waste materials handling
 - ✓ Refinements in mine design
 - ✓ DFS completion extended to early 2016

- **Permitting and documentation**
 - ✓ Amendments to Environment Compliance Certificate (ECC) in progress

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Energy and Hydrocarbon

9M2015 Financial Highlights

<i>(in PhP million)</i>	9M2015	9M2014	% Inc (Dec)
Gross revenue	106	276	(62%)
Cost and expenses	261	337	(22%)
Loss from operations	(156)	(61)	(155%)
Other income (charges)	37	(314)	88%
Reported net income (loss)	(118)	(377)	69%

- **62% decline in petroleum revenues due to:**
 - ✓ *Slowdown in Galoc Phase II production*
 - ✓ *45% drop in average crude oil prices*

- **22% decline in cost and expenses due to:**
 - ✓ *Lower output*
 - ✓ *Continued cost containment*

End-Sept 2015 Financial Position

ASSETS (in PHP million)

	As of Sept 30, 2015	As of Dec 31, 2014	% Inc (Dec)
Cash & cash equivalents	P537	P1,908	-72%
Others	115	153	-25%
<i>Current assets</i>	652	2,061	-68%
Deferred exploration costs & other NCA	6,599	6,436	3%
Total assets	P7,251	P8,497	-15%

LIABILITIES AND STOCKHOLDERS' EQUITY

(in PHP million)

	As of Sept 30, 2015	As of Dec 31, 2014	% Inc (Dec)
Due to Parent	P2,932	P3,422	-14%
Accounts payable	18	65	-72%
<i>Current liabilities</i>	2,950	3,487	-15%
Deferred income tax liability & others	1,112	1,112	0%
Others	206	226	-9%
<i>Non-current liabilities</i>	1,318	1,338	-1%
Total liabilities	4,268	4,824	-12%
Capital stock, RE & others	1,700	1,700	0%
Deficit	(1,216)	(1,146)	6%
Others	109	(8)	-
Non-controlling interest	2,389	3,126	-24%
Total equity	2,983	3,673	-19%
Total Liabilities and SHE	P7,251	P8,497	-15%



Thank you

End of Presentation