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PRESS RELEASE

**PHILEX SUSTAINS POSITIVE RESULTS: PHP462 MILLION IN 3Q2020 CORE NET INCOME REALIZED,
BRINGING 9M2020 CORE NET INCOME TO PHP865 MILLION**

HIGHLIGHTS

- 3Q2020 Core Net Income at Php462 million, significantly higher compared with 3Q2019's Php58 million
- 9M2020 Core Net Income at Php865 million, substantially ahead of 9M2019 Core Net Income of Php39 million
- Quarterly revenues accelerate with gold and copper prices trending upward; gold ore grades augmented production output
- 3Q2020 Core EBITDA at Php910 million, 92% higher than 3Q2019; 9M2020 EBITDA at Php2.038 billion versus Php1.135 billion for 9M2019
- Positive outlook boosted by Government pronouncements urging revival of the mining industry as a means to enhance economic recovery amidst the pandemic

Manila, Philippines – The Board of Directors of Philex Mining Corporation (PSE:PX) (the "Company" or "Philex") today announced that the Company registered a new high quarterly Core Net Income, and ended the first nine months of the year on an encouraging note.

The Company posted Core Net Income of Php865 million for 9M2020, after generating Core Net Income of Php462 million for 3Q2020, significantly higher than the Php58 million for the same period last year. The Core Net Income on a year-to-date September basis was significantly above 9M2019's Php39 million. This was due to the increasing operating revenues brought about by favorable gold and copper prices despite the COVID-19 pandemic, and higher gold output mainly from higher ore grades. Core Net Income of Php462 million for 3Q2020 rose ahead of the first quarter's Php103 million and the second quarter's Php300 million.

Third quarter Net Income figures were also significantly higher compared with the first two quarters of the year. The Q32020 Reported Net Income of P495 million was higher than the Php102 million of the first quarter and the Php322 million in the second quarter of 2020. Reported net income for 3Q2020 of Php495 million was also higher than the Php48 million of 3Q2019. This brought 9M2020's Reported Net Income to Php920 million, higher compared with the Php439 million for 9M2019.

Production and Revenues

Gold output for 3Q2020 at 14,804 ounces was slightly higher by 2% than 3Q2019's 14,450 ounces. This was mainly due to higher ore grades despite the lower tonnage, while copper

production for 3Q2020 of 6.699 million pounds was lower than 3Q2019's 6.851 million pounds, also due to lower tonnage.

The actual tonnage for 3Q2020 of 1.985 million tonnes was 7% lower than last year's 2.134 million tonnes for the same quarter. Actual blended metal grades for gold of 0.292 g/t and copper of 0.189% were higher than 0.272 g/t for gold and 0.179% for copper for 3Q2019, respectively. Unrelenting efforts are continuously exerted to sustain higher tonnage on a year-to-date basis, and to execute the mining plan and mill operations to achieve better blended metal grades. The actual tonnes milled for 3Q2020 was at 1.985 million, slightly higher than the first quarter's 1.969 million tonnes but lower than the second quarter's 2.002 million tonnes. This was mainly attributed to power outages due to adverse weather condition.

Production results for 9M2020 of 43,136 ounces for gold and 20.240 million pounds for copper were higher by 13% than 9M2019's gold output of 38,125 ounces and by 7% than copper output of 18.859 million pounds, again mainly due to higher ore grades and higher tonnage. The tonnage for 9M2020 of 5.956 million tonnes was slightly higher than 5.939 million tonnes produced for 9M2019.

The third quarter also saw an increase in operating revenues, net of smelting charges, by 22% at Php2.174 billion compared to last year's Php1.777 billion, mainly due to the 33% and 11% increase in gold and copper prices, respectively, and 2% higher gold output.

The favorable prices of gold and copper significantly accounted for the Company's higher revenues, bringing the year-to-date operating revenues, net of smelting charges, to Php5.854 billion, 20% higher than last year's Php4.866 billion. The increase of 13% and 7% in gold and copper output, respectively, also contributed to higher revenues.

Operating Costs and Expenses

Operating costs and expenses for 3Q2020 stood at Php1.582 billion, 6% lower than the Php1.677 billion of the third quarter of 2019. 9M2020 operating costs and expenses were pegged at Php4.686 billion, down from the previous year's Php4.809 billion. This reduction was due to the continuous effort of the Company to minimize operating costs and rationalize expenses, and manage the global impact of the pandemic on costs of commodities and products.

COVID-19 2020

The Company was allowed to remain operational for the nine months that the country was placed under various levels of Community Quarantine, because Philex is to an export-oriented enterprise. This was done in accordance with the guidelines laid down by the Government Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF-EID), the National Task Force against COVID-19 (NTF COVID-19) and the local government units concerned.

Even with the recent government-mandated relaxation of quarantine classifications at the provincial, city, and municipal levels, where lockdowns were already more localized, the Company continued to observe and implement the required minimum health standards within the Padcal mine camp and at the Mandaluyong corporate office.

This stringent observance of health and safety protocols did not deter the infection of some of the Company's employees. The Company however acted swiftly and carefully in taking the necessary measures to contain, isolate, and trace the virus as well as to treat and care for those who had been afflicted.

With the proper crisis management team and plan in place, the Company was able to keep the levels of infection and transmission to the barest minimum.

OUTLOOK

The global demand for mineral products in this age of the pandemic will continue to grow, thus creating favorable momentum for metal prices to maintain healthy levels.

This positive outlook is further bolstered by recent Government pronouncements "encouraging the revival of the mining industry" as one means to recover from the economic effect of this pandemic.

"The favorable outlook both at the global and national levels will benefit the continued operations of the Padcal mine and will likely attract interest of investors in the Silangan Project: As for the full year outlook, we expect 2020 to show substantially higher profits versus 2019", according to Mr. Eulalio B Austin, Jr, President and CEO.

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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 2020 (Unaudited)	December 31 2019 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P 988,393	P 795,709
Accounts receivable - net	388,211	416,154
Inventories - net	1,706,959	1,043,748
Other current assets -net	607,067	665,768
Total Current Assets	<u>3,690,630</u>	<u>2,921,379</u>
Noncurrent Assets		
Property, plant and equipment - net	2,938,148	3,185,283
Financial assets measured at fair value through other comprehensive income (FVOCI)	120,898	120,898
Investment in associates - net	4,168,029	4,208,339
Deferred exploration costs	27,140,992	26,616,343
Pension asset - net	199,012	223,775
Other noncurrent assets	500,810	622,710
Total Noncurrent Assets	<u>35,067,889</u>	<u>34,977,348</u>
TOTAL ASSETS	<u>38,758,519</u>	<u>37,898,727</u>
LIABILITIES AND EQUITY		
Current Liabilities		
Loans payable	1,988,295	2,531,750
Accounts payable and accrued liabilities	1,726,860	1,608,003
Subscription payable	166,831	186,531
Income tax payable	100,069	53,284
Derivative liability	16,243	-
Dividends payable	554,357	549,632
Total Current Liabilities	<u>4,552,655</u>	<u>4,929,200</u>
Noncurrent Liabilities		
Deferred tax liabilities - net	2,312,723	2,218,550
Loans and bonds payable	8,054,238	7,743,020
Provision for losses and mine rehabilitation costs	16,033	39,029
Total Noncurrent Liabilities	<u>10,382,994</u>	<u>10,000,599</u>
Total Liabilities	<u>14,935,649</u>	<u>14,929,799</u>
Equity Attributable to Equity Holders of the Parent Company		
Capital Stock - Php1 par value	4,940,399	4,940,399
Additional paid-in capital	1,143,981	1,143,981
Retained Earnings		
Unappropriated	4,341,466	3,471,281
Appropriated	10,500,000	10,500,000
Net unrealized gain on financial assets measured at FVOCI	37,745	37,745
Equity conversion option	1,225,518	1,225,518
Cumulative loss on hedging instruments	(16,243)	-
Net revaluation surplus	1,572,385	1,572,385
Effect of transactions with non-controlling interests	77,892	77,892
	<u>23,823,143</u>	<u>22,969,201</u>
Non-controlling Interests	(273)	(273)
Total Equity	<u>23,822,870</u>	<u>22,968,928</u>
TOTAL LIABILITIES & EQUITY	<u>P 38,758,519</u>	<u>P 37,898,727</u>

PHILEX MINING CORPORATION AND SUBSIDIARIES
COMPARATIVE CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2020
(Amounts in Peso Thousands, except Earnings Per Share)

	UNAUDITED				
	2020				2019
	1Q	2Q	3Q	9M	9M
REVENUES	P 1,712,538	P 1,967,411	P 2,174,369	P 5,854,318	P 4,866,176
COSTS AND EXPENSES					
Production costs	1,064,747	1,028,492	1,041,553	3,134,793	3,215,518
Depletion, depreciation and amortization	295,231	329,894	315,759	940,884	1,065,089
Excise taxes and royalties	118,570	133,769	157,714	410,053	320,163
General and administrative expenses	73,276	60,158	66,705	200,139	208,243
	1,551,824	1,552,313	1,581,731	4,685,869	4,809,013
INCOME FROM OPERATIONS	160,714	415,098	592,638	1,168,449	57,163
OTHER INCOME(CHARGES)					
Foreign exchange gains (losses) - net	(594)	32,486	55,405	87,297	46,069
Interest income - net	148	218	276	642	913
Share in net losses of associates	(13,609)	(13,609)	(13,093)	(40,311)	(24,510)
Others - net	(27,837)	(27,106)	5,137	(49,806)	413,271
	(41,892)	(8,011)	47,725	(2,178)	435,743
INCOME BEFORE INCOME TAX	118,822	407,087	640,363	1,166,271	492,906
PROVISION FOR (BENEFIT FROM) INCOME TAX					
Current	(5,929)	65,917	58,716	160,076	32,173
Deferred	22,449	18,923	86,605	86,606	21,760
	16,520	84,840	145,321	246,682	53,933
NET INCOME	P 102,302	P 322,247	P 495,042	P 919,589	P 438,973
NET INCOME ATTRIBUTABLE TO:					
Equity holders of the Parent Company	102,302	322,247	495,042	919,589	438,973
Non-controlling interests	-	-	-	-	-
	P 102,302	P 322,247	P 495,042	P 919,589	P 438,973
CORE NET INCOME	P 102,718	P 299,506	P 462,388	P 864,612	P 39,198
BASIC/DILUTED EARNINGS PER SHARE	P 0.0207	P 0.0652	P 0.1002	P 0.1861	P 0.0889
CORE NET INCOME PER SHARE	P 0.0208	P 0.0606	P 0.0936	P 0.1750	P 0.0079
EBITDA	P 418,684	P 708,459	P 910,368	P 2,037,511	P 1,134,684