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PRESS RELEASE

PHILEX MINING HITS PHP540 MILLION CORE NET INCOME IN 1Q2021 DUE TO HIGHER METAL PRICES

- **1Q2021 Core Net Income of Php540 million, 5x higher than 1Q2019's Php103 million due mainly to higher revenues as a result of higher metal prices**
- **EBITDA for 1Q2021 increased to Php1.011 billion from Php419 million 1Q2020**
- **Favorable metal prices and production sustained the steady climb of both Revenue and Core net Income since 1Q2020**

(MANILA, PHILIPPINES) – Philex Mining Corporation (the “Company”), one of the oldest and largest gold and copper producers in Southeast Asia, and a leader in sustainable and principled mining, maintained its steady momentum from 2020 up to the first quarter ended March 31, 2021 and generated Core Net Income of Php540 million for the first quarter of 2021, higher than the Core Net Income of Php103 million in the first quarter of 2020. The significant increase in Core Net Income was mainly due to higher operating revenues arising from higher prices of gold and copper.

Realized Gold prices floated within healthy levels at US\$1,781 per ounce for the quarter, which is 11% higher than the US\$1,600 per ounce average of the same period last year. The realized Copper price meanwhile reached a robust US\$4.04 per pound in March 2021 averaging US\$3.95 per pound for the quarter, a 68% jump compared with US\$2.35 per pound average in the same period last year.

Total operating revenues, net of smelting charges, were pegged at Php2.370 billion, which was 38% higher than 2020's Php1.713 billion, mainly due to higher gold and copper prices.

Core EBITDA for the quarter was at Php1.011 billion, higher than the Php419 million in the same period last year.

PRODUCTION

Tonnage milled during 1Q2021 was at 2.025 million tonnes which is 3% higher than the 1.969 million tonnes of 1Q2020. In March 2021, the Company produced a total of 5,018 ounces of Gold bringing the total for the quarter at 13,413 ounces. Copper production for March was at 2.442 million pounds, bringing the total for the quarter at 6.770 million pounds— slightly higher than the first quarter of 2020.

OPERATING COSTS AND EXPENSES

The momentum of the overall results for 2020 were likewise maintained into 1Q2021 due to the continued and stringent implementation of efficient operating practices and prudent cost management. The Company's operating cost and expenses for the quarter slightly increased slightly by 6% to Php1.647 billion in 1Q2021 from Php1.552 billion of 1Q2020, on account of higher tonnage milled.

OUTLOOK

The Company maintained its performance from 2020 into the first quarter of 2021 despite the continuing challenges of the Covid-19 pandemic. The introduction of Covid-19 vaccines offered some hope that the pandemic would soon pass but the entry of new Covid variants drove up the country's cases to never-before-seen levels, warranting an immediate return to Enhanced Community Quarantine (ECQ) for the National Capital Region and neighboring provinces just as the quarter was about to close.

This, however, did not deter the Company from remaining steadfast to its production targets and its drive towards operational optimization and efficiency.

Gold was still on the upswing and maintained its status as a safe haven asset brought about by factors that included a transition in the US presidency, a weak dollar index, and increasing geopolitical tensions. Copper prices were still favorable and would eventually stabilize as the global economic recovery kicks in.

Optimizing the Padcal Mine will still be the strategic focus of the Philex Management with continued Covid interventions as top-of-mind to minimize the impact of the pandemic as the Company awaits its own vaccine rollout expected by third quarter of this year.

On the other hand, the recent move of Government to allow suspended mining companies to resume operations, coupled with the issuance of Executive Order No. 130 that lifts the nine-year suspension on new mining agreements, will undoubtedly create a favorable climate for the mining industry. This will hopefully encourage investor interest in the Silangan Project. The Company continues to work with its financial advisor in seeking potential investors in this regard.

According to Eulalio B. Austin Jr., Philex President and CEO, "The higher prices of gold and copper helped the Company maintain its uninterrupted operations despite the challenges brought about by the pandemic. God willing, the favorable gold and copper prices will continue up to the end of the year, as the pandemic is still with us and many more challenges may lie ahead. But, as it is said, with every crisis comes opportunity, and the men and women of Philex Mining have faced adversity many times over and yet emerged victorious. I have faith that with our unity, strength, and resiliency, we shall continue to overcome."

"Once again, we face exceptional times with exceptional challenges," according to Philex Chairman Manuel V. Pangilinan. "We must rise to the challenge not with a commonplace response, but with our own unique style of activism and purpose. We are here not just to survive, but to thrive."

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

	Three Months Ended March 31	
	2021	2020
REVENUES	P 2,370,062	P 1,712,538
COSTS AND EXPENSES		
Production costs	1,090,526	1,064,747
Depletion, amortization and depreciation	338,818	295,231
Excise taxes and royalties	151,965	118,570
General and administrative expenses	65,984	73,276
	<u>1,647,293</u>	<u>1,551,824</u>
OTHER (CHARGES) INCOME		
Foreign exchange losses - net	(5,041)	(594)
Share in net losses of associates	(10,100)	(13,609)
Interest income	266	148
Others - net	<u>(194,329)</u>	<u>(27,837)</u>
	<u>(209,204)</u>	<u>(41,892)</u>
INCOME BEFORE INCOME TAX	513,565	118,822
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	105,918	(5,929)
Deferred	<u>(151,927)</u>	<u>22,449</u>
	<u>(46,009)</u>	<u>16,520</u>
NET INCOME	P 559,574	102,302
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent Company	559,574	102,302
Non-controlling interests	-	-
	P 559,574	102,302
CORE NET INCOME	P 539,601	P 102,718
BASIC/DILUTED EARNINGS PER SHARE	P 0.113	P 0.0207
CORE NET INCOME PER SHARE	P 0.109	P 0.0208
EBITDA	P 1,010,764	P 418,684

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

	March 31 2021 (Unaudited)	December 31 2020 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P 825,986	P 1,191,479
Accounts receivable - net	398,898	369,898
Inventories - net	2,258,875	1,343,366
Derivative assets	6,827	-
Other current assets - net	542,008	539,950
Total Current Assets	4,032,594	3,444,693
Noncurrent Assets		
Property, plant and equipment - net	2,870,520	3,042,982
Financial assets measured at fair value through other comprehensive income (FVOCI)	113,973	113,973
Investment in associates - net	4,151,228	4,161,328
Deferred exploration costs	27,514,685	27,365,125
Pension asset - net	310,332	310,332
Other noncurrent assets	501,190	500,882
Total Noncurrent Assets	35,461,928	35,494,622
TOTAL ASSETS	P 39,494,522	P 38,939,315
LIABILITIES AND EQUITY		
Current Liabilities		
Loans payable	P 1,598,448	P 1,776,851
Accounts payable and accrued liabilities	1,984,864	1,692,763
Subscription payable	123,345	123,345
Income tax payable	180,208	74,300
Dividends payable	670,152	553,610
Total Current Liabilities	4,557,017	4,220,869
Noncurrent Liabilities		
Loans and bonds payable	8,280,813	8,182,002
Deferred tax liabilities - net	1,844,716	2,293,314
Provision for losses and mine rehabilitation costs	17,495	16,911
Total Noncurrent Liabilities	10,143,024	10,492,227
Total Liabilities	14,700,041	14,713,096
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	5,018,318	4,734,469
Appropriated	10,500,000	10,500,000
Net unrealized gain on financial assets measured at FVOCI	31,859	31,859
Cumulative gain on hedging instrument	6,827	-
Equity conversion option	1,225,518	1,225,518
Net revaluation surplus	1,849,971	1,572,385
Effect of transactions with non-controlling interests	77,892	77,892
	24,794,765	24,226,503
Non-controlling Interests	(284)	(284)
Total Equity	24,794,481	24,226,219
TOTAL LIABILITIES & EQUITY	P 39,494,522	P 38,939,315