

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. April 28, 2022
Date of Report (Date of earliest event reported)
2. SEC Identification Number 10044 3. BIR Tax Identification No. 006-283-731-000
4. PHILEX MINING CORPORATION
Exact name of issuer as specified in its charter
5. Philippines 6. (SEC Use Only)
- Province, country or other jurisdiction of incorporation Industry Classification Code:
7. 2nd Floor LaunchPad, Reliance Street corner Sheridan Street, Mandaluyong City, Metro Manila
Address of principal office Postal Code 1550
8. (632) 8631-1381 to 88
Issuer's telephone number, including area code
9. N/A
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA


Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
<u>Common Shares, P1 par value (as of March 31, 2022)</u>	<u>4,940,399,068</u>
<u>Debt Outstanding (as of March 31, 2022)</u>	<u>Php 10,258,375,000</u>

11. Indicate the item numbers reported herein:

Item 9. Other Events

Press Release: **Philex 1Q 2022 Results**

Signed:



Romeo B. Bachoco
Chief Finance Officer



28 April 2022

PRESS RELEASE

**PHILEX CORE NET INCOME CLIMBED 25% TO Php 676 MILLION
FOR 1Q2022 VS. 1Q2021**

HIGHLIGHTS

- **Core Net Income 1Q2022 increased by 25% to Php676 million compared with Php540 million in 1Q2021**
- **EBITDA increased by 17% to Php1.182 billion for 1Q2022 versus Php1.011 billion in 1Q2021**
- **Sustained higher ore grades, favorable metal prices and efficient operating cost and expenses supported healthy growth in operating revenues, Core Net Income and EBITDA growth**

MANILA, PHILIPPINES – Philex Mining Corporation (the “Company” or “Philex”), one of the oldest and largest gold and copper producers in Southeast Asia, and a leader in right and principled mining, generated Php676 million Core Net Income and EBITDA of Php1.182 billion for 1Q2022 due to higher operating revenues on account of higher sustaining Gold and Copper realized prices, stable production and managed operating cost and expenses.

Production level in 1Q2022 was within plan and, coupled with higher realized prices for Gold and Copper, lifted operating revenues to Php2.720 billion, higher by 7.5% versus the same period in 2021. Blended realized Gold and Copper prices peaked in March at \$1,887 per ounce and \$4.59 per pound respectively, driving operating revenues in March to Php1.075 billion, the highest since January. Operating costs were almost the same level as in 1Q2021 at Php1.655 billion.

PRODUCTION

Tonnage milled for 1Q2021 was 10% lower at 1.822 million tonnes from 2.025 million tonnes in 1Q2021 mainly attributed to unscheduled breakdown of mill equipment. Ore grades for Gold continue to be at the same level as in 1Q2021 while ore grades for Copper showed improvement over the same period in 1Q2021, mitigating the impact of lower tonnage in Copper production. Gold output for 1Q2022 was 9.8% lower at 12,097 ounces versus 13,413 ounces in 1Q2021. On the other hand, Copper output for 1Q2022 was 8.7% lower at 6.18 million pounds versus 6.77 million pounds in 1Q2021.

OPERATING EXPENSES AND EBITDA

Total operating costs and expenses for 1Q2022 at Php1.655 billion were almost at the same level for the same period in 1Q2021 at Php1.647 billion. The increases in the purchase costs of materials and supplies as well as equipment parts were offset by the continued implementation of work programs in operations, leading to efficiencies in the usage of power and supplies.

EBITDA generated for 1Q2022 at Php1.182 billion was 17% higher than the Php1.011 billion in 1Q2021. The Company continue to accumulate cash surplus at a level programmed to partly finance the development of Silangan project by way of additional and fresh cash equity infusion into its wholly owned subsidiary, Silangan Mindanao Mining Co. Inc.

OUTLOOK

The current global commodity outlook points to sustained prices of Gold and Copper in the near to medium term. These sustained metal prices provide the Company with the ability to implement exploration and studies geared towards funding additional mineral resources/reserves within the current ore body and vicinity of the Padcal Mine.

The Company continues to work with its financial advisors for the completion of the fund raising exercise to start the Silangan Project, subject to approval of relevant government and /or capital market regulators. The successful and timely conclusion of the funding exercise will pave the way for the timely development and start of commercial operations of the Silangan project by early 2025. The Company is set to actively commence the development of Silangan as soon as the funding sources would have been finalized and completed, which will be in the form of a rights offer, possibly debt and fresh capital infusion out of the cash reserves of the Company.

“The first quarter of the year bore much promise that the mining industry, like the economy, was well on its way to full recovery with the tapering off of the global threat of COVID-19 and the relaxation of stringent quarantine and lockdown guidelines,” according to Philex president and CEO Eulalio B. Austin Jr. “The country, it seemed, was back in business and Philex continued to ride on the strength of sustained production and revenue levels, and took full advantage of the wave of increase in global metal prices. However, the current situation in Ukraine and its impact on the global supply chain and commodity markets makes us tread cautiously towards the remaining months of the year. We are still hopeful that the conflict in Europe will end soon enough. We move with caution and continue to assess and re-assess our plans and our strategies.”

“We view the current global situation with guarded optimism,” according to Philex Chairman Manuel V. Pangilinan. “Though there are gains to be realized with the spike in the prices of gold, copper, and even nickel, the current tension that is unfolding in Ukraine might impact the country’s and the industry’s pursuit of recovery post-pandemic. If the conflict pushes inflation upward, it could affect the country’s economic growth.”

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

	Three Months Ended	
	March 31	
	2022	2021
REVENUES	P 2,528,194	P 2,370,062
COSTS AND EXPENSES		
Production costs	1,094,562	1,090,526
Depletion, amortization and depreciation	331,425	338,818
Excise taxes and royalties	163,397	151,965
General and administrative expenses	66,004	65,984
	<u>1,655,388</u>	<u>1,647,293</u>
OTHER (CHARGES) INCOME		
Foreign exchange (loss) gain - net	18,950	(5,041)
Interest income	667	266
Share in net losses of associates	(5,428)	(10,100)
Others - net	<u>(20,140)</u>	<u>(194,329)</u>
	<u>(5,951)</u>	<u>(209,204)</u>
INCOME BEFORE INCOME TAX	866,856	513,565
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	224,870	105,918
Deferred	<u>(48,402)</u>	<u>(151,927)</u>
	<u>176,468</u>	<u>(46,009)</u>
NET INCOME	P 690,387	559,574
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent Company	690,387	559,574
Non-controlling interests	-	-
	<u>P 690,387</u>	<u>559,574</u>
CORE NET INCOME	P 676,174	P 539,601
BASIC/DILUTED EARNINGS PER SHARE	P 0.140	P 0.113
CORE NET INCOME PER SHARE	P 0.137	P 0.109
EBITDA	P 1,182,195	P 1,010,764

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

	March 31 2022 (Unaudited)	December 31 2021 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P 3,573,661	P 2,890,763
Accounts receivable - net	496,753	466,922
Inventories - net	1,878,284	1,926,464
Other current assets - net	446,290	437,585
Total Current Assets	6,394,988	5,721,734
Noncurrent Assets		
Deferred exploration costs	28,286,776	28,099,836
Investment in associates - net	3,627,052	3,632,480
Property, plant and equipment - net	3,433,883	3,428,552
Pension asset - net	262,161	352,609
Financial assets measured at fair value through other comprehensive income (FVOCI)	125,212	125,212
Other noncurrent assets	497,923	495,424
Total Noncurrent Assets	36,233,007	36,134,113
TOTAL ASSETS	P 42,627,995	P 41,855,847
LIABILITIES AND EQUITY		
Current Liabilities		
Loans and bonds payable	P 10,258,375	P 10,131,071
Accounts payable and accrued liabilities	2,563,668	2,556,347
Subscription payable	2,767	2,767
Income tax payable	406,103	181,243
Dividends payable	667,799	452,413
Total Current Liabilities	13,898,712	13,323,841
Noncurrent Liabilities		
Deferred tax liabilities - net	1,747,207	1,816,070
Provision for losses and mine rehabilitation costs	2,342	17,496
Total Noncurrent Liabilities	1,749,549	1,833,566
Total Liabilities	15,648,261	15,157,407
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	7,320,099	6,943,648
Appropriated	10,500,000	10,500,000
Net unrealized gain on financial assets measured at FVOCI	(77,838)	17,319
Equity conversion option	1,225,518	1,225,518
Net revaluation surplus	1,849,971	1,849,971
Effect of transactions with non-controlling interests	77,892	77,892
	26,980,022	26,698,728
Non-controlling Interests	(288)	(288)
Total Equity	26,979,734	26,698,440
TOTAL LIABILITIES & EQUITY	P 42,627,995	P 41,855,847