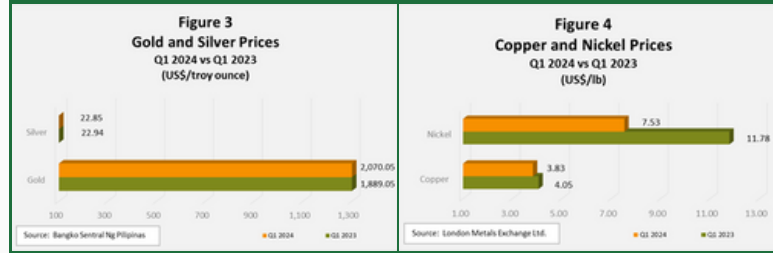


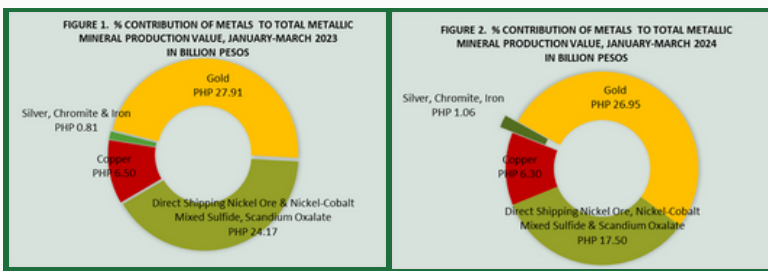
A SLOW START FOR THE METALLIC SECTOR FOR 2024

It was a slow start for the metallic sector as production value declined to PhP51.81 billion in Q1 2024 from PhP59.39 billion in Q1 2023, a substantial PhP7.58 billion shortfall. This was mainly attributed to metal price cutbacks and the slowdown in mine production.

In terms of contribution to the total metallic mineral production value, gold took the lead with 52.01% or PhP26.95 billion, while the collective output of nickel ore and other nickel by-products settled for the second spot with 33.78%, or about PhP17.50 billion, share. Copper came in third with 12.15% or PhP6.30 billion. The consolidated value of silver, chromite, and iron ore accounted for about 2.05% or PhP1.06 billion of the total production value.



In terms of gold production, total volume and value went down by 14% and 3%, or 1,203 kilograms and PhP0.96 billion respectively from 8,381 kilograms with an estimated value of PhP27.91 billion to 7,178 kilograms with an estimated value of PhP26.95 billion year-on-year. Philippines Gold Processing and Refining Corporation in Masbate posted the highest production with 1,548 kilograms with an estimated value of PhP5.77 billion followed by OceanaGold Phils Inc. (OGPI) with 818 kilograms valued at PhP3.11 billion. FCF Minerals and Apex Mining Company, Inc. were in third and fourth positions with 707 kilograms and 636 kilograms, respectively. Bangko Sentral Ng Pilipinas (BSP) also recorded a considerable decline in their gold buying station purchases from 3,012 kilograms to 2,043 kilograms, down by 32% or 970 kilograms, the gold purchased from Acupan Contract Mining Project of Benguet Corporation (BC), MB - Loacan Itogon Pocket Miners Association and OceanaGold (Phils) Inc. were included in the said figure. Of the five BSP buying stations, no purchase was made in Zamboanga City during the quarter. MROD-Quezon City, Baguio City, Davao City, and Naga City are the other buying stations. In addition, for ease of doing business, the BSP is considering setting up more buying stations for convenience and accessibility of registered small-scale miners and accredited traders.



Among the metal prices, gold remained strong with a US\$181.00 increase at US\$2,070.05 per troy ounce from US\$1,889.05 per troy ounce, year-on-year. On the contrary, nickel, copper, and silver prices were sluggish during the review period. Nickel declined by about US\$4.25 per pound to US\$7.53 per pound from US\$11.78 while copper decreased from US\$4.05 per pound to US\$3.83, year-on-year. In addition, silver was down from US\$22.94 per troy ounce to US\$22.85 per troy ounce, year-on-year.

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With the ongoing geopolitical tensions in the Middle East gold prices are expected to remain upbeat during the rest of the year. We witnessed the yellow metal prices breaking the US\$2,000 per troy ounce mark. Such a run began in December 2023 with US\$2,035.91 per troy ounce and was sustained during the review period.

Nickel ore production volume and value were lackluster from 4,573,945 dry metric tons with an estimated value of PhP11.84 billion to 3,814,450 dry metric tons with an estimated value of PhP7.63 billion, year-on-year. The average nickel price during the first quarter was down by US\$4.25 per pound from US\$11.78 to US\$7.53, year-on-year. Of the 36 nickel operating mines, only 14 recorded productions with Rio Tuba Nickel Mining Corporation leading the list with 1,783,732 dry metric tons followed by Ipilan Nickel Corporation with 340,096 dry metric tons and closely followed by SR Metals, Inc. with 337,749 dry metric tons. Twenty-two nickel mines reported no production mainly due to weather conditions, being off-season, being under a care & maintenance program, and low nickel prices. In the region of Caraga, which is hailed as the nickel capital of the country, more rain was felt during the first and fourth quarters of the year, with January being the wettest month thus affecting mining operations. Nickel mining as surface mining is vulnerable to wet weather conditions.

Copper production volume enjoyed a 4% increase from 64,730 dry metric tons to 67,582 dry metric tons while their estimated value dropped by about 3% from PhP6.50 billion to PhP6.30 billion, year-on-year. Again, the lower copper price during the period spelled the difference from US\$4.05 per pound to US\$3.83

per pound year-on-year. Currently, the country has only three producers Carmen Copper Corporation (CCC) in Cebu, OceanaGold Phils Inc. (OGPI) in Nueva Vizcaya, and Philex Mining Corporation (PMC) in Benguet. In terms of distribution, CCC dominated the production scene with 64% or 42,976 dry metric tons, while OGPI accounted for 20% or 13,692 dry metric tons and PMC contributed 16% or 10,914 dry metric tons.

The production volume of the white metal suffered a shortfall of 6% from 11,329 kilograms to 10,603 kilograms. While production value manages to faintly increase from PhP449.23 to PhP452.72. The Balabag Gold-Silver Project of TVI Resource Development (Phils) Inc. in Zamboanga del Sur continued to dominate accounting for almost 41% or 4,336 kilograms with an estimated value of PhP0.18 billion of the country's total silver production. Second was the Apex Maco Operation of Apex Mining Corporation with 2,377 kilograms with an estimated value of PhP0.11 billion followed by the Masbate Gold Project of PGPRC with 1,546 kilograms with an estimated value of PhP0.06 billion.

Chromite production volume and value had a good run during the period from 20,496 dry metric tons with an estimated value of PhP0.25 billion to 31,286 dry metric tons with an estimated value of PhP0.53 billion, up by 53% and 111%, respectively. Only Techiron Resources, Inc. and Taganito HPAL Nickel Corporation reported production, and both enjoyed growth in their respective outputs. Krominco, Inc. in Caraga remained under care & maintenance status.

Iron ore production remained weak, with a production volume and value incurring a 26% decline from 33,497 dry metric tons with an estimated value of PhP0.11 billion to 24,864 dry metric tons with an estimated value of PhP0.08 billion. Only Ore Asia Mining & Development Corporation recorded production, while the MacArthur Iron Projects Corporation and Atrio Mining Vitali Iron Inc. reported zero production.

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In the first quarter of 2024, the estimated excise tax collected is about PhP1.21 billion. The breakdown of the estimated collection by type of mine is as follows: PhP551.36 million or 45.38% from gold mines, PhP475.76 million or 39.16% from copper mines, PhP177.12 million or 14.58% from nickel mines, and PhP10.66 million from chromite mines. In addition, the estimated collection from the royalties derived by the government from the development and utilization of the mineral resources within the mineral reservation areas amounted to about PhP81.33 million in Q1 2024. Currently, we have 21 mining projects located within the mineral reservation areas, twenty nickel mining projects, and a chromite mining project.

Table 1. Regional Contribution to Total Production Value for Metallic Mineral Commodities, January-March 2024

REGION	Metallic Mineral Commodities	Estimated Production Value	
		In Billion Pesos	In Percentage
MIMAROPA	Nickel Ore, Nickel-Cobalt Mixed Sulfide	9.25	17.85
Caraga	Gold, Silver, Nickel Ore, Nickel Cobalt Mixed Sulfide, Scandium Oxalate, Chromite	8.77	16.92
REGION II - Cagayan Valley	Copper, Gold, Silver, Nickel Ore	7.25	13.65
REGION V - Bicol Region	Gold, Silver	5.84	11.27
REGION VII - Central Visayas	Copper, Gold, Silver	4.74	9.14
Cordillera Administrative Region	Copper, Gold, Silver	3.02	5.84
REGION XI - Southern Mindanao	Gold, Silver, Nickel Ore	2.62	5.06
REGION IX - Western Mindanao	Gold, Silver	1.37	2.64
REGION III - Central Luzon	Iron Ore, Nickel Ore	1.31	2.53
REGION VIII - Eastern Visayas	Chromite, Iron Ore, Nickel Ore	0.34	0.65
Bangko Sentral Ng Pilipinas Gold Purchases	Gold	7.30	14.44
Total		51.81	100.00

The gold sold by Acupan Contract Mining Project of Benguet Corporation and OceanaGold (Phils) Inc was included in the regional totals where the operations are located.

Table 2. Philippines Metallic Mineral Production, Q1 2024 vs. Q1 2023

Mineral Commodity	Unit Used	JAN-MAR, 2024		JAN-MAR, 2023		% Change	
		Quantity	Estimated Value (PhP)	Quantity	Estimated Value (PhP)	Quantity	Value
Gold	KGS.	7,178	26,950,858,861	8,381	27,908,138,331	(14)	(3)
Silver	KGS.	10,603	452,725,983	11,329	449,231,169	(6)	1
Copper Concentrate	DMT	67,582	6,297,935,119	64,730	6,502,116,757	4	(3)
Nickel Direct Shipping Ore	DMT	3,814,450	7,631,626,797	4,573,945	11,844,555,028	(17)	(36)
Nickel-Cobalt Mixed Sulfide	DMT	20,335	9,816,777,494	18,831	12,256,276,182	8	(20)
Scandium Oxalate	Dry-Kg	3,423	55,117,974	4,383	68,688,488	(22)	(20)
Chromite	DMT	31,286	527,273,616	20,496	250,330,260	53	111
Iron Ore	DMT	24,864	82,051,200	33,497	110,522,800	(26)	(26)
TOTAL			51,814,367,044		59,389,859,014		(12.76)