

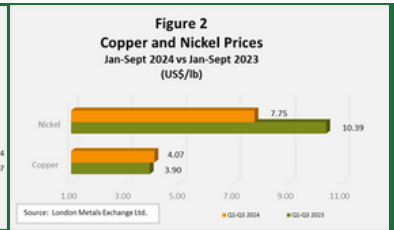
PHILIPPINES METALLIC MINERAL PRODUCTION VALUE RISES BY 3.17%

The value of metallic mineral production in the Philippines rose by 3.17%, or PhP6.02 billion, in the first three quarters of 2024 from PhP189.90 billion to PhP195.92 billion year-on-year.

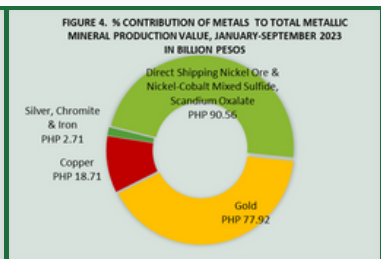
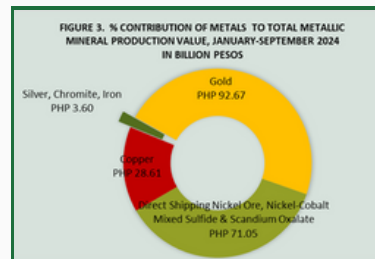
The significant growth can be attributed to the re-entry of Carmen Copper Corporation's (CCC) - Toledo Copper Operations in the Lutopan Mining Area to the production stream, which resumed in April 2024. The last reported production from Lutopan was in CY 2015. During the review period, the estimated total value of gold and copper produced from this mining project was approximately PhP9.73 billion, which includes 382 kilograms of gold and 79,914 dry metric tons of copper. This growth was further enhanced by strong prices for gold, silver, and copper.

During the period, the prices of precious metals, particularly gold and silver, saw significant gains. According to the BSP price bulletin, the price of gold increased by \$361.17, representing an 18.69% increase. Similarly, silver saw an increase of \$3.46, or 14.69%. Analysts attribute this surge to a growing interest in gold investments spurred by high inflation rates. In 2024, the price of gold consistently surpassed the \$2,000 mark, peaking at \$2,565.25 per troy ounce in September, with expectations for continued increases throughout the year.

Meanwhile, silver prices are expected to remain strong, driven by industrial demand, particularly in the solar sector. The price of silver improved from \$23.55 per troy ounce to \$27.01 per troy ounce. Additionally, copper prices rose to \$4.07 per pound, up from \$3.90 per pound year-on-year. In contrast, nickel prices have significantly declined. According to the London Metal Exchange, nickel prices fell by 25.43%, decreasing from \$10.39 per pound to \$7.75 per pound year-on-year.



In terms of total contributions, gold was the leading commodity, accounting for 47.30% of the total value, which amounts to PhP92.67 billion. Nickel ore and its by-products, including nickel-cobalt mixed sulfide (NCMS) and scandium oxalate, together represented 36.26%, or PhP71.05 billion. Copper ranked third, contributing 14.60% or PhP28.61 billion. The collective value of silver, chromite, and iron ore was PhP3.60 billion, which represents approximately 1.84% of the overall contributions.



The performance of gold remained robust, despite a 4% decrease in production volume, which fell from 22,948 kilograms to 22,034 kilograms. However, the production value increased from PhP77.92 billion to PhP92.66 billion, representing an increase of PhP14.75 billion or 18.93%.

In terms of gold output, the Bicol Region led with 20.40% of the total production, yielding 4,495 kilograms. This achievement was primarily due to the efforts of the Philippine Gold Processing and Refining Corporation. The Cagayan Valley Region (Region II) closely followed, contributing 20.02% or 4,268 kilograms, which is the combined output of FCF Minerals and OceanaGold (Phils.) Inc.

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In third place was the Davao Region (Region XI) with an output of 2,085 kilograms. The Cordillera Administrative Region secured fourth place, producing 1,626 kilograms, while the Caraga Region took fifth spot with 1,553 kilograms. The production loop was completed by Region VII, represented by Carmen Copper Corporation, with 1,021 kilograms, and Region IX, represented by TVI Resources Development (Philippines) Inc., with 904 kilograms. Notably, both Johson Mining Corporation and Tribal Mining Corporation reported no production during this period.

Over the nine-month period, the average price of gold was impressive, increasing from US\$1,932.07 per troy ounce in 2023 to US\$2,293.24 in 2024, year-on-year. Gold continues to serve as a reliable haven for investment, especially during economic downturns.

Silver production in terms of volume and value experienced substantial growth, increasing by 9% and 43%, respectively. This increase brought the production totals from 35,788 kilograms, valued at approximately PhP1.43 billion, to 39,136 kilograms, with a value of around PhP2.05 billion year-on-year.

The overall increase in volume was primarily driven by a remarkable 39% surge in output from TVI Resources Development (Philippines) Inc. at its Balabag Gold-Silver Project in Zamboanga del Sur. Their production increased from 13,973 kilograms, valued at PhP569.28 million, to 19,430 kilograms, with an estimated value of about PhP1,007.45 million year-on-year.

Following TVI Resources, Apex Mining Company Inc. produced 7,426 kilograms, valued at PhP378.45 million. The Philippine Gold Processing & Refining Corporation reported production of 4,387 kilograms, while OGPI produced 3,488 kilograms.

Copper production enjoyed substantial growth, with volumes increasing by 44% and overall value rising by 53%. Production climbed from 195,533 kilograms, valued at approximately

PHP 18.71 billion, to 280,718 dry metric tons, with an estimated value of PHP 28.61 billion, year-on-year. This growth was largely driven by the re-entry of the Carmen Copper Corporation's (CCC) Toledo Copper Operation in the Lutopan Mining Area, which contributed 79,914 dry metric tons. Additionally, the Carmen Mining Area, also operated by CCC, saw an 11% increase in production volume, amounting to 12,638 dry metric tons. However, Philex Mining Corporation and OGPI reported declines in production, with decreases of 8% and 9%, respectively.

Chromite production increased both in volume and value, rising from 67,877 dry metric tons with an estimated production value of PHP 957.65 million to 103,917 dry metric tons valued at approximately PHP 1,392.35 million year-on-year. This positive performance was largely driven by Techiron Resources Inc., which boosted its production from 10,508 dry metric tons to 55,327 dry metric tons year-on-year. Another contributor to the overall production was Taganito HPAL Nickel Corporation, which produced 48,590 dry metric tons. It is important to note that Taganito's chromite production is a by-product of its NCMS output.

On the other hand, due to oversupply and reduced demand from China, nickel ore and its by-products, NCMS and scandium oxalate, experienced a decline in overall performance. As a result, value fell from PhP90.56 billion to PhP71.05 billion year-on-year, representing a decrease of PhP19.51 billion.

The production volume and value of nickel ore decreased by 12.07% and 20.56%, respectively. This decline went from 29,231,074 dry metric tons, valued at approximately PhP54.10 billion, to 25,702,968 dry metric tons, with an estimated value of PhP42.98 billion.

The production breakdown by region reveals that Caraga, recognized as the nickel hub of the Philippines, contributed 62.24% of the total, amounting to 15,988,700 dry metric tons.

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Followed by MIMAROPA with approximately 18%, contributing 4,626,941 dry metric tons. Regions VIII and III contributed about 11.08% (2,848,283 dry metric tons) and 5.62% (1,445,621 dry metric tons), respectively. Lastly, Regions XI and II added 509,455 dry metric tons and 273,968 dry metric tons, respectively, to the overall production.

The production volume and value of scandium oxalate, a by-product of the Taganito THPAL operation, totaled 8,751 dry kilograms. This represents a 30% decrease from the previous year's total of 12,545 dry kilograms. Similarly, the production volume of NCMS fell by 8%, declining from 58,297 dry metric tons to 53,875 dry metric tons year-on-year. The production value also decreased by 23%, dropping from PhP36.26 billion to PhP27.92 billion. The total value of NCMS includes an estimated value based on its cobalt content. The overall lackluster performance was attributed to both unscheduled and scheduled maintenance shutdowns at the producing plants.

Ore Asia Mining & Development Corporation, based in Bulacan, is currently the only producer of iron in the Philippines. The company has encountered considerable decline in both production volume and value. There has been a 51% reduction in production volume, dropping from 98,110 dry metric tons to 48,048 dry metric tons, and a 49% decrease in value, falling from approximately PhP323.48 million to PhP164.28 million compared to the previous year. Furthermore, the Leyte Ironsand Project, operated by MacArthur Iron Projects Corp and Atrio Mining Vitali Iron Inc., reported no production during the same period.

In terms of excise taxes and royalties paid to the National Government, it is estimated that during the first three quarters of 2024, the excise tax collection will reach approximately PhP5.11 billion. Meanwhile, the expected royalties from the development and utilization of mineral resources within the mineral reservation areas are around PhP2.73 billion. Currently, there are 21 mining projects located in these mineral reservation areas, including 20 nickel mining projects and one chromite mining project.

Table 1. Philippines Metallic Mineral Production, Q1-Q3 2024 vs Q1-Q3 2023

Mineral Commodity	Unit Used	JAN-SEPT, 2024		JAN-SEPT, 2023		% Change	
		Quantity	Value	Quantity	Value	Qty	Value
Gold	KGS.	22,034	92,665,970,430	22,948	77,918,038,456	(3.99)	18.93
Silver	KGS.	39,136	2,043,347,957	35,788	1,433,165,951	9.36	42.58
Copper Concentrate	DMT	280,718	28,610,055,901	195,533	18,706,770,014	43.57	52.94
Nickel Direct Shipping Ore	DMT	25,702,968	42,978,245,258	29,231,074	54,103,274,119	(12.07)	(20.56)
Nickel-Cobalt Mixed Sulfide	DMT	53,875	27,924,074,815	58,297	36,255,206,386	(7.59)	(22.98)
Scandium Oxalate	Dry-Kg	8,751	143,988,643	12,545	199,084,093	(30.24)	(27.67)
Chromite	DMT	103,917	1,392,351,686	67,877	957,652,721	53.10	45.39
Iron Ore	DMT	48,048	164,277,300	98,110	323,447,436	(51.03)	(49.21)
TOTAL			195,922,311,991		189,896,639,176		3.17