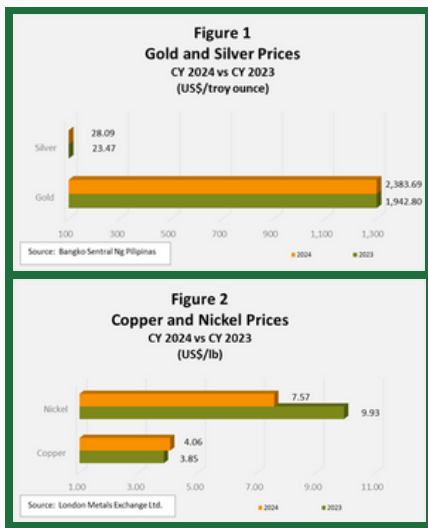


METALLIC PRODUCTION CONTINUES TO DRIVE GROWTH

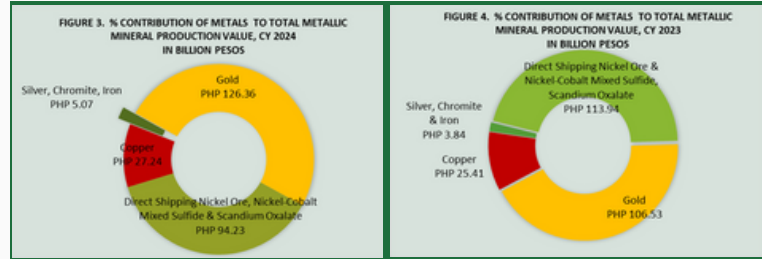
In 2024, the production value of metallic minerals increased from PhP249.71 billion in 2023 to PhP252.90 billion. This represents a growth of PhP3.19 billion, or 1.28%.

This impressive performance can be attributed to the robust gold market, which saw a steady price increase with an annual average of US\$2,383.69 per troy ounce, compared to US\$1,942.80 per troy ounce in 2023, reflecting a growth of about US\$440.90 per troy ounce. Silver also experienced a notable increase, from US\$23.47 per troy ounce to US\$28.09 per troy ounce, marking a US\$4.62 year-on-year gain. Experts anticipate that the prices of precious metals will continue to rise in 2025, influenced by current geopolitical tensions and sustained demand from central banks.



Gold dominated the production scene, contributing PhP126.36 billion, which accounts for 49.96% of the total. Nickel ore, along with nickel-cobalt mixed sulfide (NCMS), and scandium oxalate—secured the second

position with a contribution of PhP94.23 billion, or 37.26%. Copper ranked third, contributing PhP27.24 billion, or 10.77%. The combined values of silver, chromite, and iron ore totaled PhP5.07 billion, representing 2% of the overall production value.



In terms of regional contributions to the total production value, Caraga leads with 30.86%, amounting to PhP67.19 billion. Cagayan Valley follows with 14.76% or PhP32.13 billion, while MIMAROPA ranks closely in third with 13.26% or PhP28.87 billion.

Caraga is recognized as the mining capital of the Philippines, hosting 26 operating metallic mines, one hydrometallurgical processing facility, and one gold processing plant. It is noteworthy that three nickel mines within Caraga—namely, Agata Mining Ventures, Inc. in Agusan del Norte, Adnama Mining Resources, Inc. in Surigao del Norte, and CTP Construction and Mining Corporation - Dahican Nickel Project in Surigao del Sur—are currently implementing their Final Mine Rehabilitation and/or Decommissioning Plans (FMR/DP). As defined in the Safety and Health, Environment and Social Development Manual, the FMR/DP refers to the plan for returning the mine sites and affected areas to viable and, whenever practicable, self-sustaining ecosystems that are compatible with a healthy environment and with human activities. It details the proposed final land use of the area after the end of life of the mine and is integrated with the submitted Environmental Protection and Enhancement Program of the Contractor/Permit Holder.

METALLIC PRODUCTION CONTINUES TO DRIVE GROWTH

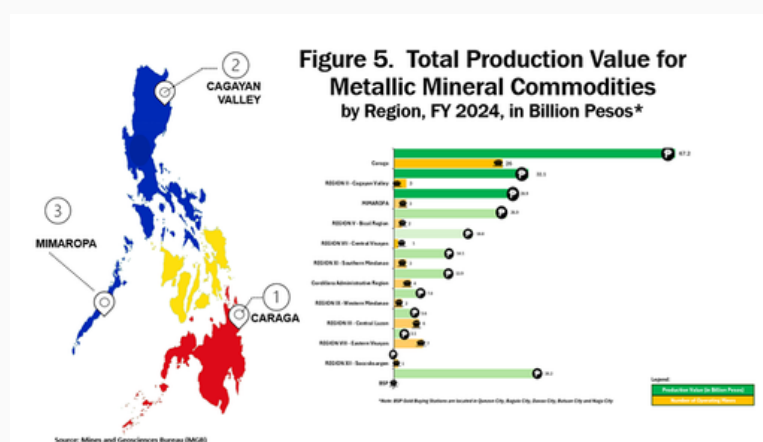
Meanwhile, Cagayan Valley region boasts a diverse mining industry that includes a gold mine, a copper mine, and a nickel mine. Out of the six (6) Financial or Technical Assistance Agreements (FTAA) that have been approved, two are currently in commercial operation, while the remaining four are in the exploration phase. Region II is home to two notable FTAA agreements that are already in commercial phase: FCF Minerals Corporation, which produces gold and silver, and OceanaGold (Philippines) Inc., recognized for its output of copper, gold, and silver. While MIMAROPA hosts three (3) nickel mines.

The Bangko Sentral ng Pilipinas (BSP) has reported that its gold purchases have reached approximately PhP37.03 billion. This includes purchases from Benguet Corporation, Loacan Itogon Pocket Miners Association, and OceanaGold Phils. Inc., and Hexat Mining Corporation. This significant investment is being made through five strategically located gold buying stations across the country: Baguio City, Davao City, Naga City, Butuan City, and MROD-Quezon City. This overview emphasizes the BSP's dedication to creating a transparent and effective gold purchasing framework in the Philippines.

It is important to note that the figures for BSP presented in Table 1 and Figure 5 do not include BSP purchases from specific mining projects, such as the Benguet Corporation and the Loacan Itogon Pocket Miners Association, both located in the Cordillera Administrative Region, as well as the OGPI's 25% share of 179 kilograms of gold dore situated in the Cagayan Valley Region and Hexat Mining Corporation. The contributions of these projects are acknowledged within the provinces where their respective operations take place.

Table 1. Contribution to Total Production-Value for Metallic Mineral Commodities, By Region (CY 2024)

REGION	Metallic Mineral Commodities	PRODUCTION VALUE (In Billion PHP)
Caraga	Chromite, Gold, Silver, Mixed Nickel Cobalt-Sulfide, Nickel Ore, Scandium Oxalate	67.19
REGION II - Cagayan Valley	Copper, Gold, Silver, Nickel Ore	32.13
MIMAROPA	Mixed Nickel Cobalt-Sulfide, Nickel Ore	28.87
REGION V - Bicol Region	Gold, Silver	26.94
REGION VII - Central Visayas	Copper, Gold, Silver	18.84
REGION XI - Southern Mindanao	Gold, Silver, Nickel Ore	14.07
Cordillera Administrative Region	Copper, Gold, Silver	13.87
REGION IX - Western Mindanao	Gold, Silver	7.05
REGION III - Central Luzon	Iron Ore, Nickel Ore	5.63
REGION VIII - Eastern Visayas	Chromite, Iron Ore, Nickel Ore	3.11
Bangko Sentral ng Pilipinas Gold Purchases*	Gold	35.21
Total		252.90



Gold production volume decreased by 7% year-on-year, dropping from 31,046 kilograms to 28,870 kilograms. However, the production value grew significantly by 18.62%, increasing from PhP106.53 billion to PhP126.36 billion. This rise in value is attributed to the consistently high price of gold in 2024.

The top three gold-producing regions in the country are the Bicol Region, contributing 6,036 kilograms (20.91% of total production), followed by the Cagayan Valley Region with 5,607 kilograms (19.42%), and Southern Mindanao with 2,896 kilograms (10.03%). In terms of project performance, the leaders were the Philippine Gold Processing and Refining Corporation with 6,036 kilograms of gold, and OGPI with 3,016 kilograms. The primary destinations for gold included Switzerland, Hong Kong, and India.

METALLIC PRODUCTION CONTINUES TO DRIVE GROWTH

Silver production volume and value showed strong growth year-on-year. The total silver output increased from 46,160 kilograms with an estimated value of PHP 1.86 billion to 54,073 kilograms, valued at approximately PHP 2.90 billion, year-on-year. This increase was significantly driven by the upbeat performance of TVI Resources Development (Phils.) Inc. at the Balabag Gold-Silver Project, which saw production rise from 17,378 kilograms with an estimated value of PHP 714.77 million to 27,056 kilograms, valued at around PHP 1.46 billion, year-on-year. TVI accounted for 50.04% of the country's total silver output.

Apex Mining Company, Inc. ranked second, producing 10,644 kilograms valued at approximately PHP 547.62 million, followed by PGPRC, which produced 5,745 kilograms, also valued at PHP 349.57 million. Overall, the country's total silver volume rose by 17.14%, while its value increased by 56.36%.

The average price of silver during this period climbed by 19.68%, from USD 23.47 per troy ounce to USD 28.09 per troy ounce, year-on-year. According to expert analysis, prices are projected to maintain an upward trend throughout 2025. Silver is primarily a co-product of gold mining and a by product of copper mining.

The total value of nickel direct shipping ore, NCMS, and scandium oxalate experienced a significant decline of approximately 17.29%, dropping by PhP19.70 billion from PhP113.94 billion to PhP94.23 billion year-on-year. This decrease is attributed to reported reductions in the output of nickel ores, NCMS, and scandium oxalate from mines and plants. Additionally, adverse weather conditions, not to mention the continued under care and maintenance status of some projects, played a vital role in the lackluster performance observed during this period.

According to the published London Metal Exchange (LME) price matrix, the average nickel price for calendar year 2024 was 23.75% lower than that of 2023, falling from US\$9.93 per pound to US\$7.57 per pound year-on-year. A detailed analysis of the LME nickel prices in 2024 revealed that the highest price was recorded in May at US\$8.85 per pound, followed by a steady decline throughout the year. The lowest price recorded was US\$6.38 per pound in December.

Production volume and value of nickel ore decreased by 5.76% and 14.67%, respectively, dropping from 35,475,800 dry metric tons valued at approximately PhP66.41 billion to 33,431,483 dry metric tons valued at PhP56.66 billion. Regionally, Caraga has established itself as the principal nickel hub of the country, accounting for 64.44% of total production, which corresponds to 21,554,397 dry metric tons. Following Caraga, the MIMAROPA region contributed approximately 16.18%, or 5,410,680 dry metric tons. Regions VIII and III produced about 10.76% (3,595,602 dry metric tons) and 6.10% (2,039,616 dry metric tons), respectively. Regions XI and II completed the production field with outputs of 551,168 dry metric tons and 290,021 dry metric tons, respectively. Notably, Davao Oriental has emerged as a recent contributor to the country's nickel ore production. The country's nickel ore is primarily exported to China, Japan, and Indonesia, with China receiving about 82% of the total.

New players expected to enhance nickel production include Comet Mining Exploration Corporation, 4D Ventures and Development Inc., Stagno Mining Corporation in the Caraga Region, and Hinatuan Mining Corporation in Region VIII.

METALLIC PRODUCTION CONTINUES TO DRIVE GROWTH

The production volume of copper experienced a 3.66% decrease from 266,532 dry metric tons to 256,769 dry metric tons year-on-year. Value however rose by 7.21% or PhP1.83 billion from an estimated value of PhP25.41 billion to PhP27.24 billion year-on-year. Carmen Copper Corporation, with its two projects (Carmen and Lutopan) emerged as the major contributor, accounting for 151,638 dry metric tons, which represents about 59% of the total production output. In addition, OGPI and Philex Mining Corporation contributed 57,308 dry metric tons and 47,823 dry metric tons, respectively. Furthermore, the price of copper surged by 5.55%, increasing from US\$3.85 per pound to US\$4.06 per pound. The country's copper trading partners were China, Japan, and India.

In the area of chromite production, both the volume and value exhibited growth on a year-on-year basis. Specifically, production increased from 101,960 dry metric tons, with an estimated value of PhP1.51 billion, to 127,613 dry metric tons, which holds an estimated value of PhP1.75 billion. Techiron Resources Inc. reported production activities in Eastern Samar, while Taganito High Pressure Acid Leach (THPAL) facility in Surigao del Norte produced chromite as a by-product of its Nickel-Cobalt-Mixed-Sulfide (NCMS) outputs. Additionally, Krominco Inc. in Dinagat Island continues to operate under care and maintenance status.

On iron ore production, there was a decline in both the volume and value of 8% and 12%, respectively from 141,220 dry metric tons, which had an estimated value of PhP465.71 million, to 130,161 dry metric tons, valued at approximately PhP408.72 million. Ore Asia Mining & Development Corporation, located in Bulacan, was the sole producer during the year. In contrast, the Leyte Ironsand Project, managed by MacArthur Iron Projects Corporation, as well as Atro Mining Vitali Iron Inc., reported no production at all.

In 2024, it is estimated that excise tax collections will reach approximately PhP7.39 billion. A significant portion of this revenue will come from mining projects located in the Caraga region and Region II. Breaking down the estimated collection by type of mine, gold mines are expected to generate about PhP2.85 billion, which accounts for 38.49%. Nickel mines are projected to contribute PhP2.63 billion, or 35.58%, while copper mines are expected to bring in PhP1.82 billion, representing 24.60%. The combined collection from chromite and iron mines is estimated at PhP0.98 billion, or 1.33%.

Additionally, royalties from the development and utilization of mineral resources within mineral reservation areas are anticipated to be around PhP1.89 billion. Currently, there are 21 mining projects in these mineral reservation areas, including 20 nickel mining projects and one chromite mining project.

In a noteworthy development for the industry in calendar year 2024, the Mines and Geosciences Bureau of the Department of Environment and Natural Resources received its first payment of additional government share worth PhP1.1 billion from OGPI on April 23, 2024, under the terms of its Financial and Technical Assistance Agreement (FTAA). According to this agreement, the net revenue will be shared between the government and OGPI on a 60-40 basis, with the government receiving 60% of the net revenue and OGPI receiving 40%.

On the local front, government policy support will be crucial for the growth of the minerals industry in 2025. Policies addressing tax reforms, streamlining mining permitting processes, facilitating ease of doing business, and attracting foreign investment are currently being developed.

METALLIC PRODUCTION CONTINUES TO DRIVE GROWTH

Internationally, the market outlook for metals in 2025 is expected to be influenced by several factors, including changes in US trade policy, ongoing geopolitical tensions, and the performance of China's construction sector.

Table 2. Philippines Metallic Mineral Production, CY2024 vs CY2023

Mineral Commodity	Unit Used	2024		2023		% Change	
		Quantity	Value	Quantity	Value	Quantity	Value
Gold	KGS.	28,870	126,360,466,752	31,046	106,528,823,424	(7.01)	18.62
Silver	KGS.	54,073	2,905,514,505	46,160	1,858,230,248	17.14	56.36
Copper Concentrate	DMT	256,769	27,238,821,839	266,532	25,407,845,406	(3.66)	7.21
Nickel Direct Shipping Ore	DMT	33,431,483	56,665,604,463	35,475,800	66,409,394,208	(5.76)	(14.67)
Nickel-Cobalt Mixed Sulfide	DMT	71,801	37,374,686,762	77,904	47,238,141,734	(7.83)	(20.88)
Scandium Oxalate	Dry-Kg	11,790	194,540,107	18,302	291,601,956	(35.58)	(33.29)
Chromite	DMT	127,613	1,751,884,603	101,960	1,513,771,689	25.16	15.73
Iron Ore	DMT	130,161	408,718,200	141,220	465,707,258	(7.83)	(12.24)
TOTAL			252,900,237,231		249,713,515,924		1.28