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FIRST PACIFIC COMPANY LIMITED

第一太平有限公司

(Incorporated with limited liability under the laws of Bermuda)

Website: <http://www.firstpacific.com>

(Stock Code: 00142)

OVERSEAS REGULATORY ANNOUNCEMENT

Please refer to the attached disclosure filed by Philex Mining Corporation (“Philex”) with the Philippine Stock Exchange, in relation to Philex’s press release on its unaudited financial statements for the first quarter ended 31 March 2017.

Dated this the 26th day of April, 2017

As at the date of this announcement, the board of directors of First Pacific Company Limited comprises the following directors:

Executive Directors:

Manuel V. Pangilinan, *Managing Director and CEO*

Edward A. Tortorici

Robert C. Nicholson

Non-executive Directors:

Anthoni Salim, *Chairman*

Benny S. Santoso

Tedy Djuhar

Ambassador Albert F. del Rosario

Independent Non-executive Directors:

Prof. Edward K.Y. Chen, *GBS, CBE, JP*

Margaret Leung Ko May Yee, *SBS, JP*

Philip Fan Yan Hok

Madeleine Lee Suh Shin



April 26, 2017

PHILEX 1Q2017 CORE NET INCOME 18% HIGHER

HIGHLIGHTS

- 1Q2017 CORE NET INCOME UP 18% TO P458 MILLION
- NET INCOME 3% HIGHER AT P432 MILLION
- US\$4.0 MILLION DEBT REPAYED IN FIRST THREE MONTHS; PARENT SHORT-TERM DEBT DOWN TO US\$58.0 MILLION
- TAXES, FEES, AND CONTRIBUTIONS TO SOCIAL DEVELOPMENT MANAGEMENT PROGRAM (SDMP) AND ENVIRONMENTAL PROTECTION AND ENHANCEMENT PROGRAM (EPEP) REACHED P473 MILLION VS NET INCOME OF P432 MILLION

Manila, Philippines – The Board of Directors of Philex Mining Corporation (PSE:PX) (the “Company” or “PX”) today announced a Core Net Income of P458 million for the first quarter of 2017, 18 percent higher than 1Q2016’s P389 million. The improvement in the Company’s financial results was attributed to higher metal prices, partly offset by lower metal output.

Production and revenue

Padcal mine operated for 88 days in 1Q2017 (1Q2016: 90 days) and milled 1.998 million metric tonnes of ore (1Q2016: 2.325 million tonnes). The lower tonnage was affected by less operating days and equipment availability issues. The Company initiated measures to improve metal recovery, by enhancing the flotation process, to offset the lower milling tonnage.

In particular, the metal recovery rate for copper increased to 84 percent (1Q2016: 81 percent) as grades improved to 0.209% (1Q2016: 0.204%). Similarly, the recovery rate for gold rose to 83 percent (1Q2016: 80 percent) while grades improved to 0.421 grams per tonne (g/t) (1Q2016: 0.405 g/t). As a result, the 1Q2017 tonnage yielded 7.752 million pounds of copper (1Q2016: 8.425 million pounds) and 22,451 ounces of gold (1Q2016: 24,200 ounces).

Consolidated revenues amounted to P2.542 billion (1Q2016: P2.390 billion), due to improved metal prices and favorable exchange rates, partly offset by lower metal output. Average realized copper prices reached US\$2.77 per pound (1Q2016: P2.25 per pound) while average realized gold prices rose to US\$1,264 per ounce (1Q2016: US\$1,239 per ounce). In addition, the realized foreign exchange rate of US\$50.32/PHP1 compared with US\$46.90/PHP1 in the same period last year also made a positive contribution.

Consequently, revenue from copper went up to P1.094 billion (1Q2016: P946 million) while revenue from gold was flat at P1.426 billion (1Q2016: P1.427 billion). Revenues from silver likewise rose to P21.9 million (1Q2016: P16.8 million) as average realized price also went up to US\$18 per ounce (1Q2016: US\$15 per ounce).

Cost and expenses

The Company continued to manage its overhead effectively, allowing it to reduce general and administrative expenses by 3 percent to P93.7 million (1Q2016: P96.9 million). However, the increase in depreciation and depletion charges, driven by the amortization of newly commissioned draw points, as well as higher excise taxes and royalty payments, associated with a higher revenue, raised consolidated costs and expenses to P1.668 billion (1Q2016: P1.641 billion).

Income from operations for the period rose 24 percent to P668 million (1Q2016: P538 million). The Company, however, incurred Net Other Charges of P55 million, due basically to the impact of the peso

depreciation on the Company's dollar-denominated loans, compared with a Net Other Income of P89 million last year.

Nonetheless, Net Income improved 3 percent to P432 million (1Q2016: 420 million) while Net Income Attributable to the Parent Company, which was same as Net Income after the deconsolidation of PXP Energy Corp. last year, improved a percent (1Q2016: 426 million).

The Company also sustained its debt repayment strategy and retired US\$4 million out of its outstanding short-term bank debt during the period. This reduced the Parent Company's total short-term debt to US\$58.0 million as of end-March this year.

Corporate social responsibility

In terms of support to nation-building and corporate social responsibility, the Company contributed P473 million during the period, in the form of taxes, fees, and other amounts for activities related to the proper care of the environment and social development initiatives.

Specifically, taxes paid/due to the national and local governments reached P250 million while various fees and withholding taxes amounted P111 million.

In addition, P64 million was spent for reinforcing and further strengthening existing pollution-control devices to ensure the safe quality of air and water resources at all times as well as to maintain proper waste management within the mine site and around its host and neighboring communities.

As part of its care and maintenance program, 200,000 new seedlings are scheduled to be propagated this year at the Company's existing nurseries. On top of this, a total of 50 hectares of new land will be reforested under the reforestation contract, which will be undertaken with the direct involvement of the host and neighboring communities. The amount spent for the preparatory reforestation activities around the mine site amounted to P25 million during the period.

Furthermore, the Company also sustained the provision of health services, educational assistance, livelihood opportunities, and critical social and economic infrastructure to maintain the physical, mental and overall well-being of residents within the host and neighboring communities. Total expenses for these initiatives reached P23 million in the period.

Outlook

"Over and above the healthy financial performance in the first quarter, our commitment to advocate responsible mining, following stringent local and international standards, remains paramount. It is for this reason that we continue to roll out the activities we committed under the many agreements we have signed with the government and pursue the initiatives we vowed to provide our host and neighboring communities, in accordance with law, oftentimes exceeding what is required from us. We also expect to do the same at our Silangan Project as we look forward to completing the Definitive Feasibility Study within the year," said Eulalio B. Austin, Jr., Philex Mining Corporation President and CEO.

"This has been our legacy for the past six decades and we intend to stay the course until the end of Padcal's life of mine," added Austin

Meanwhile, the Silangan project successfully passed its first ISO 14001 annual audit conducted in April this year by Certification International Philippines, Inc., an internationally-recognized auditing firm.

"The accomplishment means that Silangan maintains its ISO 14001 Certification, received on June 1, 2016. This also highlights the Project's compliance with strict environmental management standards, during the provision of pre-mining development activities, and bodes well for its bid to commence mine development and commercial operations in the future," said Yulo E. Perez, Silangan Mindanao Mining Co., Inc. President and COO.

PHILEX MINING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND 2016
(Amounts in Peso Thousands, except Earnings Per Share)

	<u>2017</u>	<u>2016</u>
REVENUE		
Gold	1,426,069	1,427,229
Copper	1,094,068	945,738
Silver	21,890	16,773
	<u>2,542,027</u>	<u>2,389,740</u>
Less: Smelting charges	206,695	210,715
	<u>2,335,332</u>	<u>2,179,025</u>
COSTS AND EXPENSES		
Production costs (including depletion and depreciation)	1,463,306	1,438,294
General and administrative expenses	93,663	96,911
Excise taxes & royalties	110,597	105,988
	<u>1,667,566</u>	<u>1,641,193</u>
INCOME FROM OPERATIONS	<u>667,766</u>	<u>537,832</u>
OTHER INCOME(CHARGES)		
Foreign exchange gains (losses) - net	(37,255)	57,045
Interest income	236	495
Share in net losses of associates	(6,304)	(6,000)
Others - net	(11,854)	37,739
	<u>(55,177)</u>	<u>89,279</u>
INCOME BEFORE INCOME TAX	<u>612,589</u>	<u>627,111</u>
PROVISION FOR INCOME TAX		
Current	164,820	106,969
Deferred	15,503	84,734
	<u>180,323</u>	<u>191,703</u>
	<u>432,266</u>	<u>435,408</u>
LOSS ON DECONSOLIDATED SUBSIDIARY GROUP, NET OF TAX	-	(14,963)
NET INCOME	<u>432,266</u>	<u>420,445</u>
NET INCOME (LOSS) ATTRIBUTABLE TO:		
Equity Holders of the Parent Company	432,266	426,435
Non-controlling interests	-	(5,990)
	<u>432,266</u>	<u>420,445</u>
CORE NET INCOME	<u>458,345</u>	<u>388,898</u>
BASIC EARNINGS PER SHARE	<u>0.0875</u>	<u>0.0863</u>
DILUTED EARNINGS PER SHARE	<u>0.0875</u>	<u>0.0863</u>
CORE NET INCOME PER SHARE	<u>0.0928</u>	<u>0.0787</u>

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

	March 31	December 31
	2017	2016
	(UNAUDITED)	(AUDITED)
ASSETS		
Current Assets		
Cash and cash equivalents	839,627	457,937
Accounts receivable	452,800	486,497
Inventories	1,941,259	2,318,850
Advances to a related party	2,168,649	2,193,829
Other current assets	1,419,370	1,437,752
Total Current Assets	6,821,705	6,894,865
Noncurrent Assets		
Property, Plant and Equipment	6,655,686	6,735,578
Deferred exploration costs and other noncurrent assets	23,466,455	23,158,325
Available-for-sale (AFS) financial assets	104,615	104,615
Investment in associates	1,449,571	1,455,876
Pension asset - net	305,664	312,570
Total Noncurrent Assets	31,981,991	31,766,964
TOTAL ASSETS	38,803,696	38,661,829
LIABILITIES AND EQUITY		
Current Liabilities		
Loans payable	2,909,280	3,082,640
Accounts payable and accrued liabilities	1,762,780	1,832,661
Income tax payable	164,863	164,265
Dividends payable	569,369	498,129
Total Current Liabilities	5,406,292	5,577,695
Noncurrent Liabilities		
Deferred income tax liabilities - net	2,966,346	2,957,896
Loans and bonds payable	6,667,987	6,592,854
Provision for losses and mine rehabilitation costs	130,111	134,124
Total Noncurrent Liabilities	9,764,444	9,684,874
Total Liabilities	15,170,736	15,262,569
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	4,176,137	4,442,436
Appropriated	10,500,000	10,000,000
Net unrealized loss on AFS financial assets	(3,094)	(3,094)
Equity conversion option	1,225,518	1,225,518
Net revaluation surplus	1,572,385	1,572,385
Effect of transactions with non-controlling interests	77,891	77,892
	23,633,217	23,399,517
Non-controlling Interests	(257)	(257)
Total equity	23,632,960	23,399,260
TOTAL LIABILITIES & EQUITY	38,803,696	38,661,829