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FIRST PACIFIC COMPANY LIMITED

第一太平洋有限公司

(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 results of operations for the second quarter ended 30 June 2014.

Dated this the 1st day of August, 2014

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

Napoleon L. Nazareno

Independent Non-executive Directors:

Graham L. Pickles

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

Margaret Leung Ko May Yee, *SBS, JP*

Philip Fan Yan Hok



PRESS RELEASE

August 01, 2014

HIGHLIGHTS

- 2Q 2014 REPORTED NET INCOME AT P333.0 MILLION VS 1Q 2014: 267.4 MILLION, UP 25%
- CORE NET INCOME THIS QUARTER AT P280.6 MILLION VS P278.4 MILLION LAST QUARTER, UP 1%
- CONSOLIDATED REVENUES REACHED P2.868 BILLION (1Q2014: P2.913 BILLION)
- CONSOLIDATED EXPENSES AT P2.194 BILLION (1Q2014: P2.274 BILLION)

Manila, Philippines – The Board of Directors of Philex Mining Corporation (PSE:PX) (“Philex” or the “Company”) today announced that the Company’s Unaudited Core Net Income in the second quarter of 2014 reached P280.6 million, up from P278.4 million in the first quarter as the Company implemented cost-control measures to mitigate the impact of declining ore grades and low metal production since the start of the year. Reported Net Income for the period improved 25% to P333.0 million from the first quarter due to unrealized foreign exchange gains.

In the first half of 2014, Core Net Income amounted to P558.0 million while Reported Net Income stood at P600.5 million, lower by 32% and 37%, respectively, compared with last year due to lower gold and copper grades. Last year’s figures were also raised by insurance proceeds related to business interruptions.

Production and Revenues

In the second quarter of this year, Consolidated Revenues amounted to P2.868 billion, slightly below the P2.913 billion from the previous quarter as a result of lower metal output.

Gold production during the period totaled 25,844 ounces, 2% lower than 26,442 ounces produced in the previous quarter. Realized prices for gold dropped to an average of US\$1,311 per ounce from US\$1,373 per ounce in the first quarter of 2014. As a result, revenues from gold dropped to P1.478 billion from P1.610 billion.

Similarly, copper produced declined to 8,728,904 pounds from 9,468,009 pounds in the first quarter. However, with realized prices for copper improving to an average of US\$3.33 per pound in the second quarter from US\$2.85 per pound in the first three months, revenues from copper increased to P1.274 billion from P1.174 billion.

Consolidated Revenues in the first six months of this year reached P5.782 billion, 38% better than last year due largely to higher number of operating days in 2014 (178 days vs 115 days). Gold production similarly rose 28% to 52,286 ounces, while copper output grew 33% to 18,196,913 pounds.

Nonetheless, operational adjustments to address the declining ore grades, aimed at bringing in better grade ore sources and maximizing metal recoveries, are being implemented both at the mine underground and mill plant.

Operating Costs and Expenses

Consolidated costs and expenses went down to P2.194 billion in the second quarter from P2.274 billion in the first quarter due to the Company's conscious efforts to rein in controllable costs, and mitigate the impact of declining ore grades and volatile metal prices.

Consolidated costs and expenses in the first six months of this year on the other hand reached P4.468 billion from P2.726 billion due primarily to a higher number of operating days and the change in mineralogy, or the ore body's physical characteristics, making it more expensive to process.

EBITDA and Net and Core Earnings per Share

Consolidated EBITDA for the three-month period ending June 2014 amounted to P875.4 million, slightly higher than the P870.8 million in the first quarter. First half of 2014 EBITDA declined to P1.746 billion from P1.804 billion in 2013 as the increase in costs outpaced the growth in revenues.

On a per share basis, Net Earnings per share improved to 7.6 centavos in the second quarter of this year (1Q2014: 5.1 centavos), while Core Earnings per share was unchanged at 5.7 centavos (1Q2014: 5.7 centavos). As of the first six months Core and Net earnings per share dropped to 13.3 centavos (1H2013: 16.1 centavos) and 12.7 centavos (1H2013: 21.8 centavos), respectively.

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

| | 30 June 2014 (UNAUDITED) | 31 December 2013 (AUDITED) |
|--|---|--------------------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | 2,698,322 | 4,080,512 |
| Accounts receivable | 719,406 | 295,451 |
| Inventories | 2,090,774 | 2,668,274 |
| Other current assets | 1,500,887 | 1,343,245 |
| Total Current Assets | 7,009,389 | 8,387,482 |
| Noncurrent Assets | | |
| Property, plant and equipment – net | 6,957,893 | 6,880,096 |
| Available-for-sale (AFS) financial assets | 1,186,316 | 975,380 |
| Goodwill | 1,208,020 | 1,208,020 |
| Deferred income tax assets – net | 10,195 | 11,818 |
| Deferred exploration costs and other non-current assets | 24,341,019 | 22,427,186 |
| Total Noncurrent Assets | 33,703,443 | 31,502,500 |
| TOTAL ASSETS | 40,712,832 | 39,889,982 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities | | |
| Loans payable - current | 6,897,500 | 6,176,369 |
| Accounts payable and accrued liabilities | 2,074,562 | 2,321,301 |
| Income tax payable | 42,974 | 11,519 |
| Dividends payable | 472,799 | 460,650 |
| Provisions and subscriptions payables | 577,983 | 805,108 |
| Derivative liability | 10,088 | - |
| Total Current Liabilities | 10,075,906 | 9,774,947 |
| Noncurrent Liabilities | | |
| Deferred income tax liabilities – net | 3,966,725 | 3,916,378 |
| Loans payable – net of current portion | - | 55,014 |
| Pension obligation | 22,477 | 21,598 |
| Provision for losses and mine rehabilitation costs | 204,238 | 204,791 |
| Total Noncurrent Liabilities | 4,193,440 | 4,197,781 |
| TOTAL LIABILITIES | 14,269,346 | 13,972,728 |
| Equity Attributable to Equity Holders of the Parent Company | | |
| Capital Stock – P1 par value | 4,936,996 | 4,936,996 |
| Additional paid-in capital | 1,076,736 | 1,058,497 |
| Retained earnings | | |
| Unappropriated | 4,513,559 | 4,128,826 |
| Appropriated | 10,000,000 | 10,000,000 |
| Net unrealized gain on AFS financial assets | 215,624 | 4,689 |
| Cumulative translation adjustments | (10,294) | 25,116 |
| Net revaluation surplus | 1,611,397 | 1,611,397 |
| Effect of transaction with non-controlling interests | 45,099 | 45,099 |
| | 22,389,117 | 21,810,620 |
| Non-controlling Interests | 4,054,369 | 4,106,634 |
| Total Equity | 26,443,486 | 25,917,254 |
| TOTAL LIABILITIES & EQUITY | 40,712,832 | 39,889,982 |

PHILEX MINING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2014 AND 2013

(Amounts in Peso Thousands, except Earnings Per Share which are in Peso)

| | 2014 | 2013 |
|---|------------------|-----------|
| REVENUE | | |
| Gold | 3,087,995 | 2,254,074 |
| Copper | 2,452,730 | 1,800,562 |
| Silver | 43,044 | 34,955 |
| | 5,583,769 | 4,089,591 |
| Less: Marketing charges | 424,984 | 244,208 |
| | 5,158,785 | 3,845,383 |
| Petroleum | 195,045 | 95,290 |
| Coal | 2,709 | 1,031 |
| | 5,356,539 | 3,941,704 |
| COSTS AND EXPENSES | | |
| Mining and milling costs (including depletion and depreciation) | 3,514,810 | 1,778,603 |
| General and administrative expenses | 540,032 | 640,632 |
| Mine products taxes and royalties | 280,627 | 222,992 |
| Petroleum production costs | 87,938 | 52,794 |
| Handling, hauling and storage | 41,830 | 29,687 |
| Cost of coal sales | 2,794 | 792 |
| | 4,468,031 | 2,725,500 |
| INCOME FROM OPERATIONS | 888,508 | 1,216,204 |
| OTHER INCOME (CHARGES) | | |
| Foreign exchange gains (losses) | 94,777 | (50,735) |
| Interest income | 9,190 | 11,892 |
| Insurance proceeds | - | 1,017,125 |
| Gain on sale of AFS financial assets | - | 26,880 |
| Interest expense | (162,614) | (217,032) |
| Padcal maintenance costs during suspension of operations | - | (439,590) |
| Others – net | (3,614) | (78,134) |
| | (62,261) | 270,406 |
| INCOME BEFORE INCOME TAX | 826,247 | 1,486,610 |
| PROVISION FOR INCOME TAX | (225,787) | (532,240) |
| NET INCOME | 600,460 | 954,370 |
| NET INCOME (LOSS) ATTRIBUTABLE TO: | | |
| Equity holders of the Parent Company | 626,949 | 1,074,650 |
| Non-controlling interests | (26,489) | (120,280) |
| | 600,460 | 954,370 |
| CORE NET INCOME | 559,034 | 817,656 |
| BASIC EARNINGS PER SHARE | 0.1270 | 0.2178 |
| DILUTED EARNINGS PER SHARE | 0.1270 | 0.2178 |
| CORE NET INCOME PER SHARE | 0.1132 | 0.1657 |

PHILEX MINING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 AND 2013

(Amounts in Peso Thousands, except Earnings Per Share which are in Peso)

| | 2014 | 2013 |
|---|------------------|-----------|
| REVENUE | | |
| Gold | 1,477,593 | 1,761,051 |
| Copper | 1,274,281 | 1,459,608 |
| Silver | 20,339 | 27,119 |
| | 2,772,213 | 3,247,778 |
| Less: Marketing charges | 211,234 | 196,687 |
| | 2,560,979 | 3,051,091 |
| Petroleum | 96,031 | 48,818 |
| | 2,657,010 | 3,099,909 |
| COSTS AND EXPENSES | | |
| Mining and milling costs (including depletion and depreciation) | 1,719,271 | 1,452,217 |
| General and administrative expenses | 254,476 | 365,280 |
| Mine products taxes and royalties | 142,652 | 178,547 |
| Petroleum production costs | 55,675 | 24,321 |
| Handling, hauling and storage | 22,010 | 22,373 |
| Cost of coal sales | - | (29) |
| | 2,194,084 | 2,042,709 |
| INCOME FROM OPERATIONS | 462,926 | 1,057,200 |
| OTHER INCOME (CHARGES) | | |
| Foreign exchange gains (losses) | 128,425 | (34,044) |
| Interest income | 3,582 | 5,040 |
| Interest expense | (90,916) | (111,756) |
| Others – net | (54,235) | (35,215) |
| | (13,144) | (175,975) |
| INCOME BEFORE INCOME TAX | 449,782 | 881,225 |
| PROVISION FOR INCOME TAX | (116,745) | (330,170) |
| NET INCOME | 333,037 | 551,055 |
| NET INCOME (LOSS) ATTRIBUTABLE TO: | | |
| Equity holders of the Parent Company | 374,421 | 653,966 |
| Non-controlling interests | (41,384) | (102,911) |
| | 333,037 | 551,055 |
| CORE NET INCOME | 280,620 | 685,283 |
| BASIC EARNINGS PER SHARE | 0.0758 | 0.1326 |
| DILUTED EARNINGS PER SHARE | 0.0758 | 0.1326 |
| CORE NET INCOME PER SHARE | 0.0568 | 0.1389 |