



**1st QUARTER 2016
OPERATING AND
FINANCIAL RESULTS**

28 April 2016

1Q2016 Highlights

- **Net income 38% higher year-on-year due to effective cost management**
- **Operating cost per tonne down to P755 in 1Q2106 from P859 average in FY2014 and P808 in FY2015**
- **Parent Company retired US\$5.0M debt in 4M2016**
- **Initial inferred resources of 22M tonnes identified in Bumolo project**



Metals

1Q2016 Operating Statistics

	1Q2016	1Q2015	<i>Inc (Dec)</i>
Tonnes Milled ('000)	2,325	2,221	5%
Operating Days	90	88	2%
Ore Grade			
Gold - gms/DMT	0.405	0.435	-7%
Copper - %	0.204	0.204	-
Production			
Gold – ozs	24,200	25,997	-7%
Copper - lbs ('000)	8,425	8,361	1%
Prices			
Gold (US\$/ounce)	1,239	1,189	4%
Copper (US\$/pound)	2.25	2.71	-17%

➤ Ore milled higher due to more operating days

➤ Gold output affected by natural depletion of high grade ore

➤ Copper production benefitted from increased tonnage

1Q2016 Financial Highlights

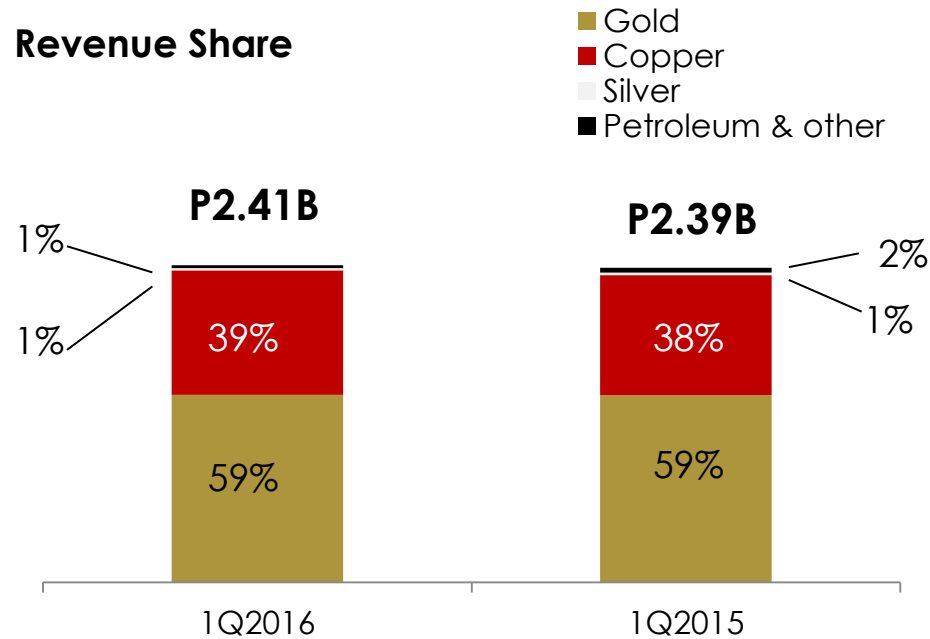
<i>(in PHP million, unless indicated)</i>	1Q2016	1Q2015	<i>Inc/(dec)</i>
Gross Revenue	2,413	2,393	1%
Marketing Charges	211	200	6%
Cost & Expenses	1,674	1,887	-11%
Income from Operations	528	306	73%
Other Inc / (charges)	84	110	-24%
Provision for Tax	(192)	(111)	73%
Net Income	420	305	38%
Income Attributable to Parent	426	329	30%
Core Net Income	389	214	81%
EBITDA	879	718	22%
Operating margin	24%	14%	71%
EBITDA margin	36%	30%	23%

➤ Slight recovery in gold prices and higher copper output push revenues higher

➤ Sustained cost management result in double-digit reduction in costs and expenses

➤ Net income driven by significant decline in costs and expenses

1Q2016 Revenue Breakdown



REVENUE PER PRODUCT (PhP million)			
	1Q2016	1Q2015	Inc (Dec)
Gold	1,427	1,423	0%
Copper	946	912	4%
Silver, petroleum & others	40	58	-31%
TOTAL	2,413	2,393	1%

1Q2016 Cost and Expenses

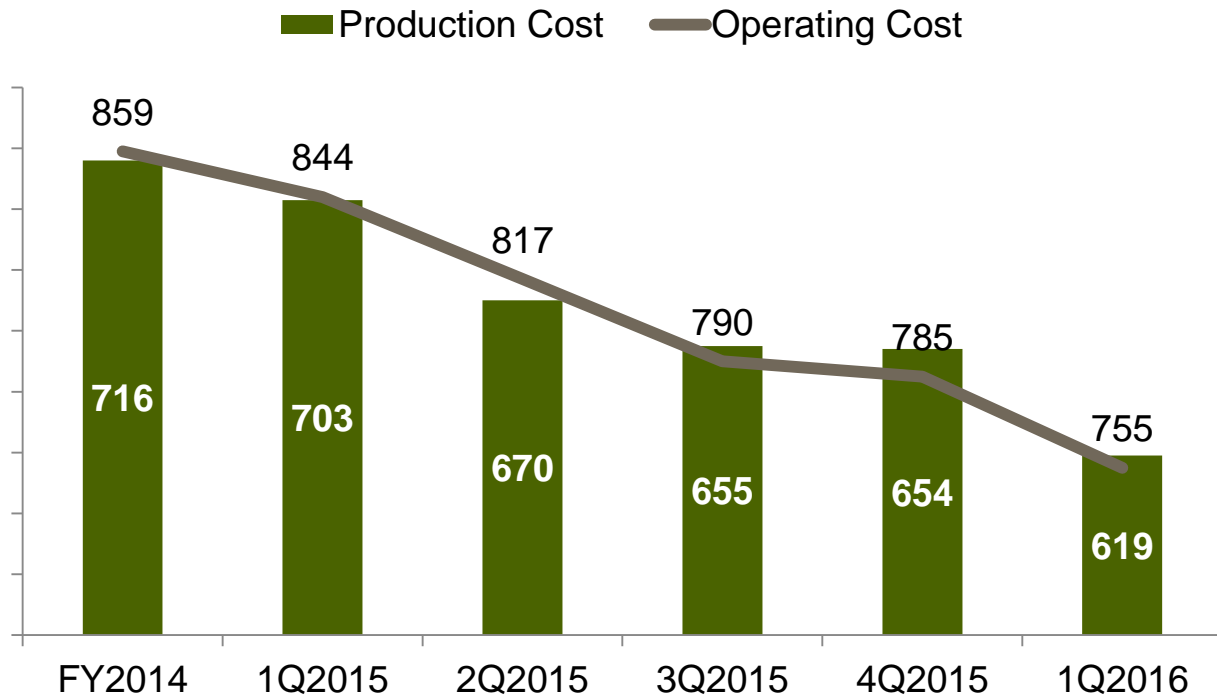
<i>(in PHP million)</i>	1Q2016	1Q2015	<i>Inc (Dec)</i>
Production cost			
Materials & Supplies	383	427	-10%
Power	401	431	-7%
Labor	227	212	7%
Contracts	64	65	-2%
Others	53	53	0%
Cash Production cost	1,128	1,188	-5%
Depreciation & Amortization	310	373	-17%
Total Production Cost	1,438	1,561	-8%
Excise Tax & Royalties	106	114	-7%
Operating Cost (Mining)	1,544	1,675	-8%
G&A (Mining)	94	114	-17%
All-in Operating Cost (Mining)	1,638	1,789	-8%
PPC & Silangan expenses	35	98	-64%
TOTAL COST AND EXPENSES	1,674	1,887	-11%

- **Lower production cost attributed to:**
 - ✓ Reduced manpower
 - ✓ Lower power costs
 - ✓ Less maintenance costs

- **17% drop in Parent G&A due to manpower rightsizing and expense management**

- **PXP and Silangan expenses lower due to continued organizational restructuring**

Quarterly Cost per Tonne (Php)



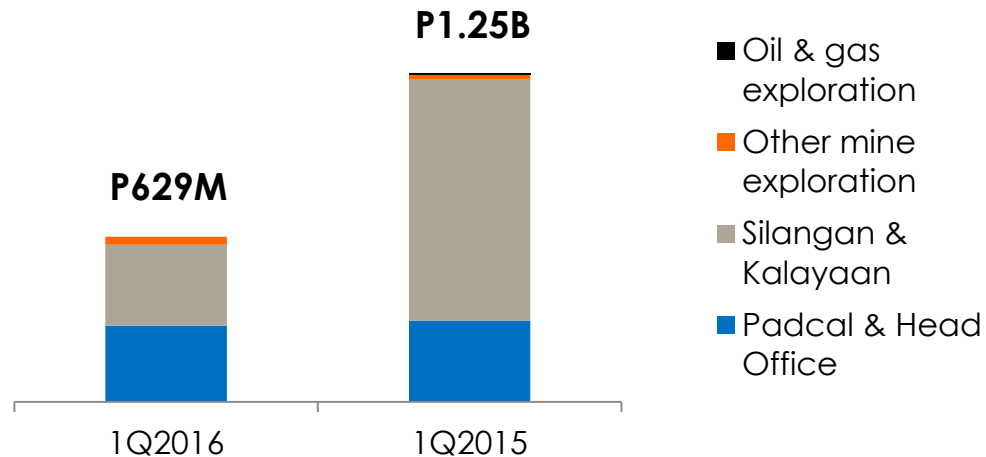
1Q2016 Breakeven Analysis

COST STRUCTURE (excluding G&A)			
	1Q2016	1Q2015	Variance
Cost per Tonne			
Cash Production Cost	485	535	-9%
Depreciation	133	168	-20%
Total	619	703	-12%
Operating cost*	808	844	-11%
Operating Cost per Metal			
Co-production method			
Gold (\$/oz)	947	937	1%
Copper (\$/lb)	1.72	2.18	-21%
By-product credits method			
Gold (\$/oz)			
Before by-product credits	1,546	1,625	-5%
After by-product credits	749	737	2%
Copper (\$/lb)			
Before by-product credits	4.44	5.05	-12%
After by-product credits	0.84	1.31	-36%

*Includes production cost plus excise tax, royalties and marketing expenses, but excludes Head Office overhead

1Q2016 Capital Expenditures

CAPITAL EXPENDITURE PERFORMANCE



CAPITAL EXPENDITURE BREAKDOWN (PhP million)			
	FY2015	FY2014	change
Padcal & Head Office	290	310	-6%
Silangan & Kalayaan	309	918	-66%
Other mine exploration	30	20	50%
Oil & gas exploration	-	5	-
TOTAL	629	1,253	-50%

End-Mar 2016 Financial Position

ASSETS (in PHP million)

	As of Mar 31, 2016	As of Dec 31, 2015	Inc (Dec)
Cash & cash equivalents	879	1,009	-13%
Receivables & others	4,390	4,263	3%
Current assets	5,269	5,271	0%
Property, plant & equipment	6,760	6,828	-1%
Deferred exploration costs/others	37,082	36,721	1%
Total assets	43,842	43,549	1%

- Increase in deferred exploration costs associated with investments in Silangan and Padcal

LIABILITIES AND STOCKHOLDERS' EQUITY

(in PHP million)

	As of Mar 31, 2016	As of Dec 31, 2015	Inc (Dec)
Short-term debt	3,110	3,318	-6%
Others	2,358	2,397	-2%
Current liabilities	5,467	5,715	-4%
Bonds Payable	6,329	6,259	1%
Deferred income tax liability/others	9,835	10,006	-2%
Total liabilities	16,164	16,265	-1%
Capital stock, RE & others			
Non-controlling interest	24,963	24,563	2%
Total equity	2,715	2,721	0%
Total Liabilities and SHE	43,842	43,549	1%

- Repaid US\$5.0 million in local bank loans in 4M2016

SELECTED FINANCIAL RATIOS

Current Ratio	0.96:1	0.92:1
Debt-to-equity Ratio	37:63	37:63
Net debt/(cash)-to-equity Ratio	45:55	44:56

The background is a solid green color with a faint, repeating pattern of hexagons. The hexagons are arranged in a staggered grid and are rendered in a lighter shade of green, creating a subtle texture.

Energy and Hydrocarbon

Financial Highlights

<i>(in PhP millions)</i>	Q12016	Q12015	% Inc (Dec)
Gross revenue	P23.1	P37.6	(38.5)
Cost and expenses	32.5	81.4	(60.0)
Income (loss) from operations	(9.4)	(43.8)	(78.5)
Other income (charges)	(5.5)	1.1	(604.2)
Reported net income (loss)	(P15.0)	(P44.2)	(66.2)

- **38.5% decline in petroleum revenues due to:**
 - ✓ *Prolonged low crude oil prices*
 - ✓ *Normal decline in Galoc Phase II production*

- **78.5% decline in cost and expenses due to:**
 - ✓ *Lower output*
 - ✓ *Continuous cost containment*

Financial Position

ASSETS (in PHP millions)

	As of Mar 31, 2016	As of Dec 31, 2015	% Inc (Dec)
Cash & cash equivalents	P582	P526	10.6
Others	92	144	(35.9)
<i>Current assets</i>	674	670	0.6
Deferred exploration costs & other NCA	6,429	6,558	(2.0)
Total assets	7,103	7,228	(1.7)

LIABILITIES AND STOCKHOLDERS' EQUITY

(in PHP millions)

	As of Mar 31, 2016	As of Dec 31, 2015	% Inc (Dec)
Due to Parent	2,932	2,932	-
Accounts payable & others	15	15	(2.9)
<i>Current liabilities</i>	2,946	2,947	0.0
Deferred income tax liability	1,112	1,112	0.0
Others	201	202	(0.1)
<i>Non-current liabilities</i>	1,313	1,314	(0.1)
Total liabilities	4,259	4,261	0.0
Capital stock	1,700	1,700	-
Deficit	(1,245)	(1,233)	1.0
Others	50	116	(56.6)
Non-controlling interest	2,338	2,384	(1.9)
Total equity	2,844	2,967	(4.2)
Total Liabilities and SHE	7,103	7,228	(1.7)

Operations Update

SC 72 Recto Bank (Forum 70%)

- Under Force Majeure (FM) since 15 December 2014
- Forum will have 20 months upon lifting of the FM to drill the two commitment wells

SC 75 NW Palawan (PXP 50%)

- Under Force Majeure since 27 December 2015
- Sub-Phase 2 will have a term of 18 months upon lifting of FM with the acquisition of 1,000 sq km of 3D seismic data as the minimum work commitment

SC 74 Linapacan Block (PXP 70%)

- Transferred from Pitkin to PXP in 2016
- Sub-Phase 2 started this February 2016
- To conduct a 1,500 line-km 2D survey 2Q 2016

Operations Update

SC 14C1 Galoc (Forum 2.27%)

- Galoc consortium re-assessing plans to drill an appraisal well this year in view of depressed oil prices
- Full field development (Phase 3) will be contingent on the outcome of appraisal well
- Expected to add 12 mmbo of proven reserves and increase production to 9-10,000 bopd, if successful

Peru Block Z-38 (Pitkin 25%)

- Work program in 2016 includes well preparation for possible drilling in 2017, subject to rig availability

Other PXP blocks in Northwest Palawan

- Activities in 2016 include technical studies and reprocessing of seismic data



Thank you

End of Presentation