

Philippine Mining Development Corporation

Annual Accomplishment of the Operations Group of PMDC for CY 2018:

(1) Strategic Measures Involving the Operations

The Strategic Measures for Operations comprised Sixty (60%) of the PMDC Scorecard for CY 2018. The committed actions on the operations are focused on existing mining projects, Diwalwal Mineral Reservation Area (DMRA) and bidding of new properties for bidding.

The operations in DMRA are embodied in an action plan submitted to GCG. The said action plan includes the program for the rationalization of mining operations, the GOLD Project (Generating Opportunities for the Communities through Linkages and Diversification of Products), which also involves the implementation of the Diwalwal Special Economic Zone and Jewelry Park Project. A Memorandum of Understanding with PEZA has already been signed on November 17, 2017 and PMDC has started engaging its partners from the DENR, NCIP, MGB, EMB, NEDA, DOT, LMB and MinDA. The DMRA Action Plan 2017-2022 was also presented to the Economic Development Committee of NEDA RDC XI last June 11, 2018.

Meanwhile, the PMDC has also conducted an Information and Education Campaign (IEC) last October 12, 16, 17 and 23, 2018 in four (4) project-affected barangays in DMRA, namely: Mt. Diwata, Upper Ulip, Naboc and Tubo-Tubo. The IEC is part of the PMDC's ECC application with the EMB.

Aside from mining projects in DMRA, there are four (4) existing mining projects of PMDC which are awarded to Partners/Operators, of which two (2) are under Exploration Stage (Pinamungahan Limestone and Opol Gold) and two (2) under Operating Stage (Dinagat Parcel 1 and 2B Nickel-Chromite). PMDC ensures that these projects move in accordance to plan to fast track the generation of revenues for the government. The two (2) projects in Exploration Stage are in process of completing the requirements for the Declaration of Mining Project Feasibility (DMPF). Upon approval, these projects shall be allowed to undergo mining production. The two (2) mining projects in Operating Stage are nickel mining projects. Dinagat Parcel 1 was the one producing and the Partner/Operator was able to ship three (3) shipments for CY 2018. PMDC ensures that the partners/operators are compliant with the existing rules of the government regarding responsible mining.

PMDC also takes the necessary actions to bid new mining projects to have additional sources of revenue. Evaluation of feasible mining projects were undertaken. The target for the year is to publish for bidding at least one (1) mining project for the year. PMDC published seven (7) mining projects for bidding in two (2) major newspaper/spreadsheet.

(2) Strategic Measures Involving Corporate Social Responsibility (CSR)

For CSR, PMDC has the HERO (Health, Education, Environment, Rural Infrastructure and Opportunities to Earn) Program. The target for the CY 2018 is to have 6000

beneficiaries of the said program. PMDC continued to implement its CSR agenda focused on providing support to direct stakeholders of DMRA and to hosts communities in Dinagat Parcel 1.

For CY 2018, PMDC was able to establish and construct major infrastructure such as Potable Water System Project and Mabatás Tailings Launder System and Decant Tower Project in DMRA.

As part of PMDC's initiative, PMDC conducted medical and dental mission and good grooming to four (4) Barangays in DMRA, donation of medicines to Monkayo and Dinagat Parcel 1, distribution of raincoats to students in Dinagat and distribution of school supplies in DMRA. PMDC also continued to provide monthly rice and meat subsidy to PNP, AFP and Health Workers stationed at DMRA.

PMDC thru its Depot Office in Upper Ulip responded to several requests of the Barangays in DMRA which included provision of financial assistance to certain barangay activities and construction of Multi-Purpose Tribal hall in Upper Ulip Monkayo Compostela Valley.

PMDC also conducted Information, Education and Communication (IEC) and advocacy campaign on responsible mining in DMRA.

PMDC also committed to conduct a stakeholder's satisfaction survey. GCG approved PMDC's request that the survey will be conducted through in-house survey and the result shall be provided to GCG upon completion.

Prepared by:



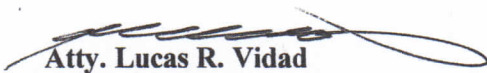
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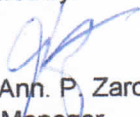
PHILIPPINE MINING DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION (UNAUDITED)
December 31, 2018
(In Philippine Peso)

	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	319,398,772	120,993,296
Receivables, net	12,029,079	13,185,939
Inventories	3,613,619	3,805,256
Other current assets	10,988,534	5,079,882
Total current assets	346,030,004	143,064,373
Non-current assets		
Property, plant and equipment, net	146,586,667	271,347,933
Intangible assets	1,107,887	883,929
Deferred tax assets	-	1,002,199
Other non-current assets	938,097	153,876
Total non-current assets	148,632,651	273,387,937
TOTAL ASSETS	494,662,655	416,452,310
LIABILITIES		
Current liabilities		
Financial liabilities	20,235,369	13,418,909
Inter-agency payables	6,650,446	2,126,642
Trust liabilities	5,817,906	5,817,906
Deferred credits/uneamed Income	200,002,089	1,486,399
Total current liabilities	232,705,810	22,849,856
Non-current liabilities		
Financial liabilities	47,913,125	113,307,815
Deferred credits/uneamed income	9,322,550	9,322,550
Total non-current liabilities	57,235,675	122,630,365
TOTAL LIABILITIES	289,941,485	145,480,221
EQUITY		
Revaluation surplus	10,005,948	144,415,500
Retained earnings/(deficit)	69,715,222	1,556,589
Share capital	125,000,000	125,000,000
TOTAL EQUITY	204,721,170	270,972,089
TOTAL LIABILITIES AND EQUITY	494,662,655	416,452,310

Prepared by:


Stephanie Alfonso
G.A. Supervisor

Reviewed by:


Mary Ann P. Zarcilla
FAD, Manager


PHILIPPINE MINING DEVELOPMENT CORPORATION
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Philippine Peso)

	2018	2017
Income		
Service and business income	166,071,560	51,212,521
Gains	440,414	1,281
Total income	166,511,974	51,213,802
Expenses		
Personnel services	42,739,919	28,668,042
Maintenance and other operating expenses	31,356,395	18,508,327
Financial expenses	7,637,545	8,651,258
Non-cash expenses	3,365,528	2,768,049
Total Expenses	85,099,387	58,595,676
Profit/(loss) before tax	81,412,587	(7,381,874)
Income tax expense/(benefit)	13,673,656	-
Net income/(loss)	67,738,931	(7,381,874)
Other comprehensive income/(loss) for the period	419,702	(701,956)
COMPREHENSIVE INCOME/(LOSS)	68,158,633	(8,083,830)

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PHILIPPINE MINING DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Philippine Peso)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflows		
Collection of income/revenue	129,256,180	64,942,470
Collection of receivables	72,552	96,713
Trust receipts	-	153,461
Other receipts	211,047,537	540,603
Total cash inflows	340,376,269	65,733,247
Cash outflows		
Payment of expenses	80,457,118	37,793,445
Purchase of Inventories	-	20,714
Grant of cash advances	27,526,856	5,182,353
Remittance of personnel benefit contributions and mandatory deductions	6,609,849	6,916,051
Other disbursements	-	40,000
Total cash outflows	114,593,823	49,952,563
Net cash provided by/(used in) operating activities	225,782,446	15,780,684
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflows		
Receipt of interest earned	910,866	1,103,865
Total cash inflows	910,866	1,103,865
Cash outflows		
Purchase/construction of property, plant and equipment	11,551,687	6,609,190
Purchase of intangible assets	321,429	-
Total cash outflows	11,873,116	6,609,190
Net cash provided by/(used in) investing activities	(10,962,250)	(5,505,325)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash outflows		
Payment of long-term liabilities	9,224,759	8,791,705
Payment of interest on loans and other financial charges	7,607,482	8,040,536
Payment of cash dividends	-	1,247,487
Total cash outflows	16,832,241	18,079,728
Net cash provided by/(used in) financing activities	(16,832,241)	(18,079,728)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	197,987,955	(7,804,369)
Effects of exchange rate changes on cash and cash equivalents	417,521	(498,222)
Cash and cash equivalents, January 1	120,993,296	129,295,887
CASH AND CASH EQUIVALENTS, DECEMBER 31	319,398,772	120,993,296

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