

# METALLIC PRODUCTION VALUE REMAINS ROBUST IN 2023

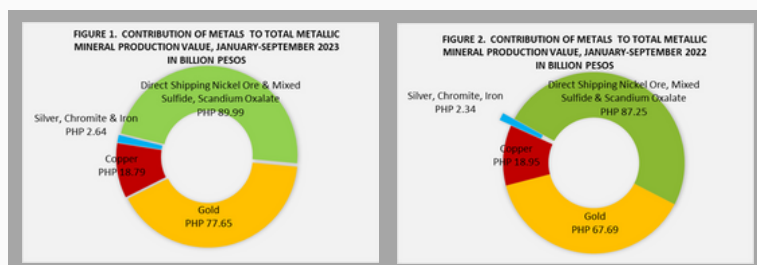
The country's metallic production value remained robust during the first three quarters in 2023 from PhP176.24 billion to PhP189.08 billion, year on year, a growth of PhP12.84 billion or 7.28%.

Nickel ore and its nickel by-products, nickel-cobalt mixed sulfide (NCMS), and scandium oxalate continued to have the biggest share with PhP89.99 billion or 47.60%. Gold secured the second spot with PhP77.65 billion or 41.07%. On the other hand, copper grabbed the third position accounting for PhP18.79 billion or 9.94%. The shared value of silver, chromite, and iron ore amounted to PhP2.64 billion which is about 1.40%.

Table 1. Contribution to Total Production Value for Metallic Mineral Commodities by Region January–September 2023, In Billion Pesos

REGION	Metallic Mineral Commodities	PRODUCTION VALUE (In Billion PhP)
Caraga	Gold, Silver, Nickel Ore, Nickel Cobalt Mixed Sulfide, Scandium Oxalate	60.36
MIMAROPA	Nickel Ore, Nickel-Cobalt Mixed Sulfide	25.56
REGION II - Cagayan Valley	Copper, Gold, Silver, Nickel Ore	22.12
REGION V - Bicol Region	Gold, Silver	16.10
REGION VII - Central Visayas	Copper, Gold, Silver	12.38
Cordillera Administrative Region	Copper, Gold, Silver	9.71
REGION III - Central Luzon	Iron Ore, Nickel Ore	8.50
REGION XI - Southern Mindanao	Gold, Silver, Nickel Ore	6.42
REGION IX - Western Mindanao	Gold, Silver	3.21
REGION VIII - Eastern Visayas	Chromite, Iron Ore, Nickel Ore	2.98
Bangko Sentral Ng Pilipinas Gold Purchases*	Gold	21.74
Total		189.08

\*Does not include the gold purchases from Acupan Contract Mining Project and Locaan Rogon Pocket Miners Association located in Benguet. Mine output of these Projects was integrated with the contribution of the Cordillera Administrative Region. BSP Gold Buying Stations are in Quezon City, Baguio City, Davao City, Zamboanga City and Naga City



In terms of regional contribution to total production value, Caraga provided the largest impact with 31.93% or PhP60.36 billion, followed by MIMAROPA with 13.52% or PhP25.56 billion, and in third was Cagayan Valley with 11.70% or PhP22.12 billion. In terms of the number of operating metallic mines in the Region. Caraga remains the country's mining capital, with two gold mines, one chromite mine, 18 nickel mines, one hydrometallurgical processing plant, and one gold processing plant. In addition, the

Bangko Sentral Ng Pilipinas (BSP) gold purchases amounted to about PhP21.74 billion with five gold buying stations strategically located across the country.

Prices for precious metals, gold, and silver, exhibited solid gains during the review period. Based on the BSP price bulletin gold and silver stepped up by as much as US\$105.60 or 5.78% and silver by US\$1.61 or 7.32% change. The increased interest in gold investment brought about by the continued high inflation rate together with the economic slowdown pushed prices of these metals higher analysts said. Gold price almost breached the US\$2,000 mark in April 2023 peaking at US\$1,998.60 per troy ounce. Backed up by industrial demand in the solar sector the price of silver, on the other hand, is projected to stay in high spirits. Meanwhile base metals copper and nickel were listless at US\$3.90 per pound and US\$10.39 per pound, respectively. Which suffered a decline of 5.43% for copper and 13.21% for nickel.

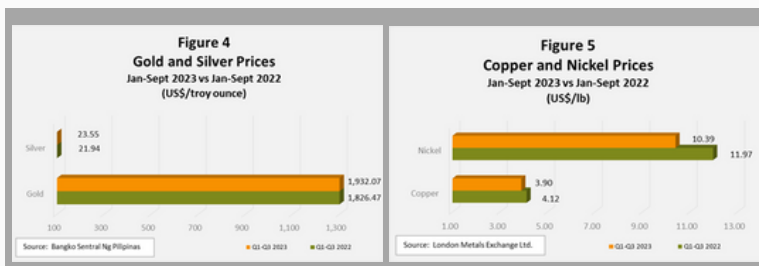
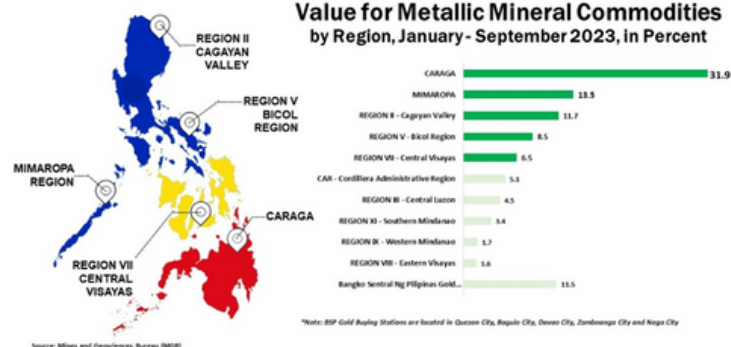


Figure 3. Contribution to Total Production Value for Metallic Mineral Commodities by Region, January – September 2023, in Percent

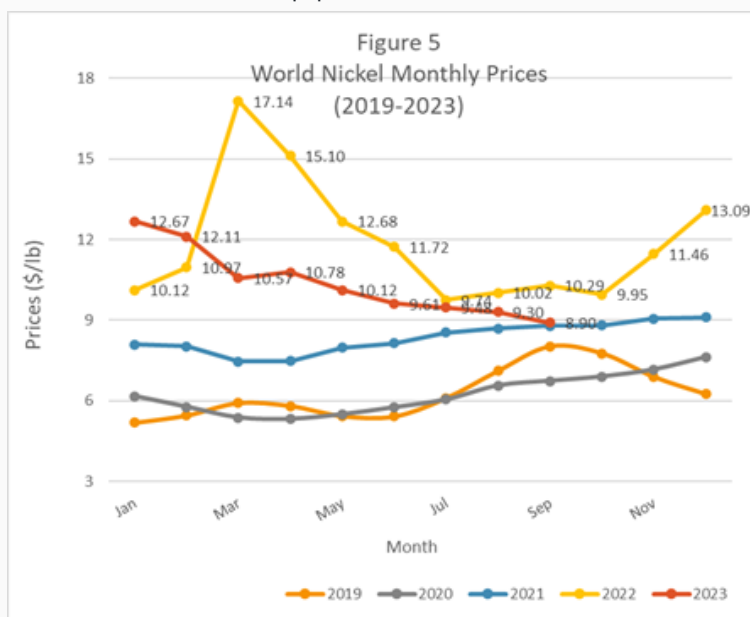


Nickel direct shipping ore together with its by-products NCMS and scandium oxalate bested the other metals. Consolidated production value went up from PhP87.25 billion to PhP89.99 billion, a PhP2.75 billion boost. Production volume and value of nickel direct shipping ore jumped by 24.08% and 13.60%, respectively from 23,291,619 dry metric tons with an estimated value of PhP47.13 billion to 28,899,580 dry metric tons with an estimated value of PhP53.54 billion year-on-year. Breaking it down further, in terms of regional mine production Caraga the nickel capital of the Philippines accounted for 62% with 17,747,435 dry metric tons

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followed by MIMAROPA with about 15% or 4,430,618 dry metric tons while Regions VIII and III accounted for about 14% or 3,936,768 dry metric tons and 9% or 2,528,253 dry metric tons, respectively. Finally, rounding up the production circle were Regions II, (Dinapigue Mining Corporation) and XI (ARC Nickel Resources, Inc.) with 220,757 dry metric tons and 35,750 dry metric tons, respectively. Moreover, the production volume and value of scandium oxalate, a by-product in the operation of Taganito THPAL recorded production of 12,545 dry-kilograms, down by 12% from its previous 14,264 dry-kilograms, year-on-year. Likewise, MNCS production volume slightly dropped by 2% from 59,458 dry metric tons to 58,297 dry metric tons, year-on-year. Production value also went down by 9% from PhP39.81 billion to PhP36.26 billion. Included in the NCMS total value was the estimated value of the cobalt content.

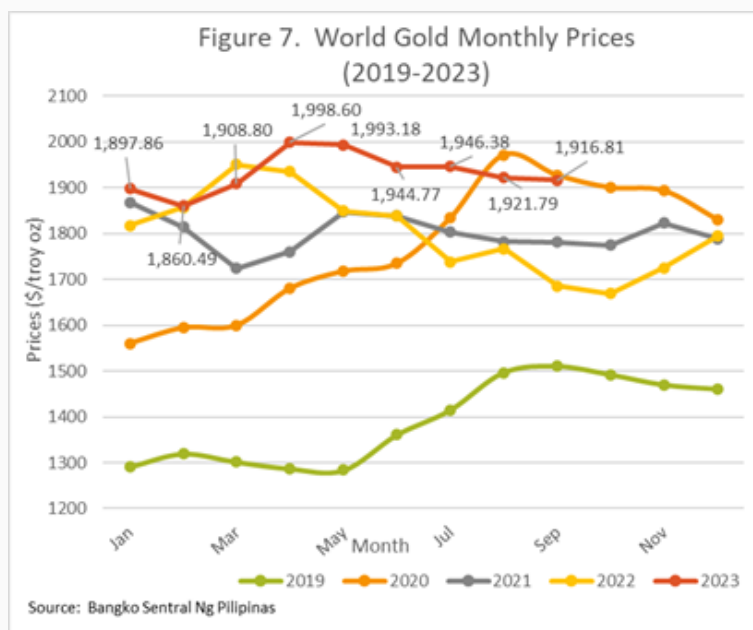
Although the average price of nickel was slightly down from US\$11.97 per pound to US\$10.39 per pound, year on year. It was still above the pre-pandemic levels. Experts speculate that towards the end of the year, nickel prices will go up mainly due to supply reduction coupled with the sustained demand from stainless steel and batteries (electric vehicles) of which nickel is an important component. China was still our major trading partner for our nickel ore during the period. An unexpected turn of events was the emergence of Indonesia as our newest trading partner for our nickel ore. The three mining projects that made shipments to Indonesia were Agata Mining Ventures, Inc., Libjo Mining Corporation, and Vista Buena Mining Corporation all are in Caraga. The total shipment made was 102,100.72 dry metric tons with an estimated value of PhP171.37 million. It is important to note that Indonesia is the top producer of nickel worldwide.



The performance of the yellow metal was strong with production volume and value growing from 21,631 kilograms of PhP272.01 million. Followed by Philippine Gold Processing & Refining Corporation with 5,204 kilograms with an estimated value of PhP77.65 billion,

ahead by 1,303 kilograms and PhP9.96 billion, respectively. In terms of mine output, Region II - Cagayan Valley led accounting for 21% or 4,829 kilograms with the combined output of FCF Minerals and OceanaGold (Phils.) Inc. Closely followed by the Bicol Region with 20% or 4,601 kilograms which was the output of the Philippine Gold Processing and Refining Corporation. On the third spot was Region XI - Davao Region with 2,062 kilograms of Apex Mining Company Inc. In 4th and 5th positions were Caraga Region and CAR with 1,937 kilograms and 1,808 kilograms, respectively. Rounding up production was IX of TVI Resources Development (Phils) Inc. with 774 kilograms. Johnson Mining Corporation and Tribal Mining Corporation still recorded no production during the period. In addition, BSP gold purchases enjoyed an increase of 22% from 5,218 kilograms to 6,432 kilograms, year-on-year.

The average price of gold during the 9-month period was relatively impressive from US\$1,826.47 per troy ounce in 2022 to US\$1,932.07 in 2023. Gold is playing up its role to the fullest as it is the haven for investment during economic difficulties.



Overall silver production volume and value were lackluster by 14% and 9% from 41,543 kilograms with an estimated value of PhP1.56 billion to 35,784 kilograms with an estimated value of PhP1.42 billion year-on-year. The decline in volume was highly attributed to the 5,114 kilograms production setback in the mine output of TVI Resources Development (Phils.) Inc., Balabag Gold-Silver Project located in Zamboanga del Sur from 19,088 kilograms with an estimated value of PhP736.76 million to 13,973 kilograms with an estimated value of PhP569.28 million, year-on-year. Despite the substantial fall TVI still managed to lead the production scene accounting for almost 39% of the total silver production. In a distant second was Apex Mining Company Inc. with 7,796 kilograms with an estimated value of PhP272.01 million. Followed by Philippine Gold Processing & Refining Corporation with 5,204 kilograms



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and trailed by OGPI with 4,175 kilograms. Silver price during the review period moved up from US\$21.94 per troy ounce to US\$23.55 per troy ounce.

For copper production, we witness copper volume grow by 2% from 190,767 dry metric tons to 195,533 dry metric tons while value slips from PhP18.95 billion to PhP18.79 billion, year-on-year. Unfortunately, both Philex Mining Corporation and OGPI sustained production shortfalls of 11% and 3%, respectively. While Carmen Copper Corporation which contributed 110,252 dry metric tons or 56% of the country's production managed to increase production by 11% from 99,232 dry metric tons. Copper price declined by US\$0.22 from US\$4.12 per pound to US\$3.90 per pound year-on-year.

Ore Asia Mining & Development Corporation in Bulacan was the lone producer of iron in the country during the review period. Despite this, the total production volume and value still went up by 37% and 51% from 57,040 dry metric tons with an estimated value of PhP171.10 million to 78,213 dry metric tons with an estimated value of PhP257.79 million year-on-year. The Leyte Ironsand Project of MacArthur Iron Projects Corp and Atro Mining Vitali Iron Inc. reported zero production.

On chromite production, volume and value also showed growth from 57,326 dry metric tons with an estimated production value of PhP613.30 million to 67,877 dry metric tons with an estimated production value of PhP957.65 million year-on-year. This was the shared output of Techiron Resources Inc. and Taganito HPAL Nickel Corporation. THPAL chromite production is a by-product of its NCMS output.

In terms of excise taxes and royalties paid to the National Government, during the first three quarters of 2023, the estimated excise tax collected is about PhP5.09 billion while the estimated collection from the royalties derived by the government from the development and utilization of the mineral resources within the mineral reservation areas is about PhP1.97 billion. Currently, we have 21 mining projects located within the mineral reservation areas, twenty nickel mining projects and a chromite mining project.

On the international front, considering the clear shift towards renewable technologies or so-called green technologies coupled with the emerging industry 4.0 technologies commonly known as the Fourth Industrial Revolution. The essential or critical metals for the advancement of said technologies remain under the spotlight these include minerals such as gold, nickel, cobalt, copper, and iron. Founded on this premise the outlook for the mining industry remains strong. Another unprecedented development is Indonesia's emergence as our latest export market for nickel ore. Related to this, experts say that with the current situation in Indonesia wherein supply of nickel in ore is a bit tight.

They expect China's demand for this ore from the Philippines to grow as they begin to stock up given Indonesia's supply situation together with the anticipation of the rainy season which is prevalent towards the end of the year in the Philippines particularly in the nickel rich Caraga region.

In addition, under the Mines Geosciences Bureau Priority Projects Phase I category for metallic mines, there are a total of 12 Projects still expected to commence within the next six months. If realized, this raises the upbeat expectation that the nation will be able to produce and export more of these goods given the high level of global demand in the future.

- Region II (1) – Magnetite Sand (Iron)
- Region III (1) – Nickel Laterite
- Region V (1) – Gold
- Region XI (4) – Nickel, Copper and Gold
- Region XIII (5) – Nickel, Copper and Gold

In addition, under the DENR Administrative Order (DAO) 2022-03 which formalizes and promotes responsible small-scale mining operations which will eventually boost gold, silver, and chromite production in the country. The total number of declared and processed Minahang Bayan is as follows:

- 57 declared Minahang Bayan sites across the country.
- 4 are due for declaration.
- 3 are for final review clearance.
- 20 are with approved DENR initial review clearance.
- 2 are for initial review clearance.

Table 2. Philippines Metallic Mineral Production  
January-September 2023 vs January-September 2022

Mineral Commodity	Unit Used	JAN-SEP. 2023		JAN-SEP. 2022		% Change	
		Quantity	Estimated Value	Quantity	Estimated Value	Quantity	Value
Gold	Kilograms	22,935	77,650,428,269	21,631	67,693,784,212	6	15
Silver	Kilograms	35,784	1,423,160,211	41,543	1,558,807,472	(14)	(9)
Copper Concentrate	Dry Metric Tons	195,533	18,794,398,305	190,767	18,954,088,297	2	(1)
Nickel Direct Shipping Ore	Dry Metric Tons	28,899,580	53,539,102,548	23,291,619	47,128,215,455	24	14
Nickel-Cobalt Mixed Sulfide	Dry Metric Tons	58,297	36,255,206,386	59,458	39,805,069,813	(2)	(9)
Scandium Oxalate	Dry-Kg	12,545	199,084,093	14,264	313,858,394	(12)	(37)
Chromite	Dry Metric Tons	67,877	957,652,721	57,326	613,303,041	18	56
Iron Ore	Dry Metric Tons	78,213	257,785,026	57,040	171,097,407	37	51
<b>TOTAL</b>			<b>189,076,817,558</b>		<b>176,238,224,090</b>		<b>7.28</b>