

Metallic Production Value Drops by 10.69% in Q1 2020

Metallic production value dropped from PhP27.84 billion in Q1 2019 to PhP24.86 billion in Q1 2020, down by PhP2.98 billion.

The lackluster start was attributed mainly to the following: zero production of one of the country's major mining projects, Didipio Gold Project of OceanaGold Phils. Inc. (OGPI) located in Nueva Vizcaya and disruption in the mining operations of mining projects throughout the country amid the COVID 19 pandemic where movements of people and supplies were restricted. Last year, during the same period OGPI accounted for about PhP3.64 billion worth of copper, gold, and silver.

In terms of contribution to the total metal mineral production value, precious metal gold led with an impressive share of 43%, or PhP10.66 billion. Direct-shipping nickel ore together with its nickel products, mixed nickel-cobalt sulfide (MNCS), and scandium oxalate closely took the second spot accounting for 41% or PhP10.29 billion. Meanwhile, copper followed with 15% or PhP3.69 billion. The combined output value of silver and chromite contributed 0.90% or PhP0.22 billion.

FIGURE 1. CONTRIBUTION OF METALS TO TOTAL METALLIC MINERAL PRODUCTION VALUE, IN PESO VALUE AND IN PERCENTAGE JANUARY-MARCH 2020

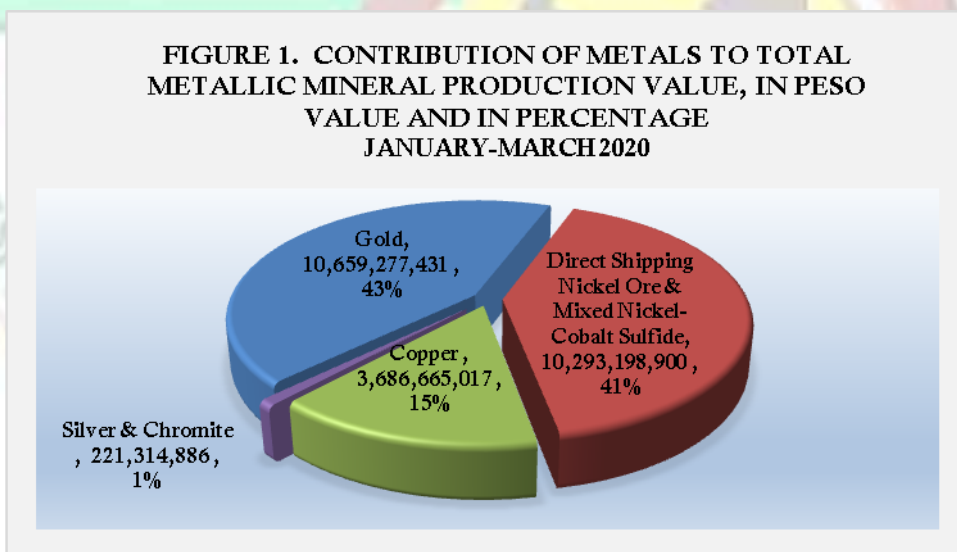
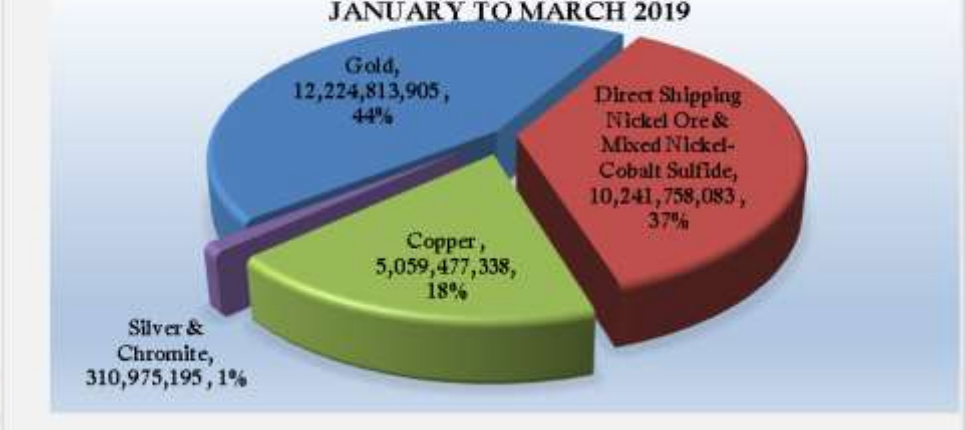


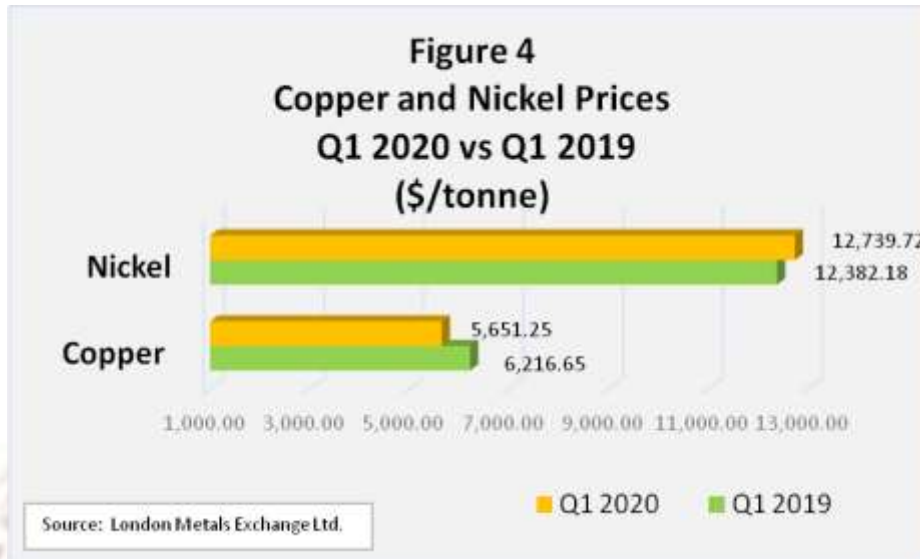
FIGURE 2. CONTRIBUTION OF METALS TO TOTAL METALLIC MINERAL PRODUCTION VALUE, IN PESO VALUE AND IN PERCENTAGE JANUARY TO MARCH 2019



The upbeat gold price in Q1 2020 sustained gold's share to the overall production value. Prices went up from US\$1,304.15 per troy oz to US\$1,584.17 per troy oz, year-on-year, and an increase of US\$280 per troy oz. Nickel price, likewise, enjoyed a growth from US\$12,382.18 per tonne to US\$12,739.72 per tonne, year-on-year, up by almost US\$358 per tonne.

**Figure 3
Gold and Silver Prices
Q1 2020 vs Q1 2019
(\$/troy ounce)**





Gold total production was down from 5,651 kilograms with an estimated value of PhP12.22 billion to 4,098 kilograms with an estimated value of PhP10.66 billion, year-on-year, lower by 1,553 kilograms and PhP1.56 billion in volume and value, respectively. The Masbate Gold Project of Filminera Mining Corporation/Philippine Gold Processing and Refining Corporation in Masbate was at the forefront with 1,396 kilograms valued at PhP3.61 billion, accounting for 34% of the country's total gold mine output.

Nickel direct shipping ore, incurred deficit both in volume and value at 27% and 17%, respectively from 38,146 metric tons valued at PhP3.05 billion to 28,006 metric tons valued at PhP2.54 billion, year-on-year. Out of the 29 listed operating nickel mines only 11 reported their metallic production while all the remaining 18 were either under Care and Maintenance Program or reported zero production due to unfavorable weather conditions particularly in Region XIII.

Downstream processing, Coral Bay Nickel Corporation (CBNC) in Palawan and Taganito HPAL Nickel Corporation (THPAL) in Surigao del Norte both reported a combined total value of PhP7.75 billion. CBNC and THPAL are the only two hydrometallurgical nickel processing plants in the country wherein CBNC produces mixed nickel cobalt sulfide (MNCS) while THPAL produces MNCS and scandium oxalate.

The red metal, which accounted for almost 15%, or PhP3.69 billion of the total metallic mineral production value, suffered production setback both in volume and value of 3,315 metric tons and PhP1.37 billion, respectively. Recorded total mine output and value in Q1 2020 was 16,035 metric tons with an estimated value of Ph3.67 billion from 19,350 metric tons with an estimated value of PhP5.06 billion in Q1 2019.

The absence of OGPI to the production-stream with no new players to fill in the void resulted to the sluggish performance of copper. From 2013-2018 OGPI accounted for about 22% up to 27% of the country's copper production. Toledo Copper Project of Carmen Copper Corporation in Cebu continued to dominate the production scene with 79% and 77% of the total copper production volume and value in Q1 2020 or 12,663 metric tons with an estimated value of PhP2.85 billion.

Still on the local front during this time of the COVID 19 pandemic the mining industry has taken an active role in the "*Bayanihan to Heal as One Act*" of the President.

This is through the initiative of the Mines and Geosciences Bureau (MGB) with Memorandum dated March 27, 2020 authorizing the re-alignment of unutilized funds of Social Development and Management Program (SDMP) of the mining companies to Support Affected Impact and Non-Impact Communities due to COVID-19. Below is the summary of accomplishment concerning the MGB Memorandum:

SUMMARY OF ACCOMPLISHMENTS

Pursuant to Republic Act (RA) No. 11469 or the "Bayanihan to Heal as One Act"

As of May 13, 2020

Applicable power/authority ¹	Program/Activity	Number of Target Beneficiaries*	Number of Target Beneficiaries Served*	Budget Allocation*	Budget Utilized*
Section 4.k.1: Procurement of PPE and medical supplies; Section 4.k.2: Procurement of goods and supplies for the social amelioration measures in favor of the communities	Realignment of Social Development and Management Program (SDMP) fund for social amelioration of communities around mining projects thru provisions of Health/Hygiene Kits and Food Packs	70,545 Frontliners/ Individuals/ PUM	69,145 Frontliners/ Individuals/ PUM	307,452,234.54	247,742,015.94
		984,166 Households/ Families	926,494 Households/ Families		

SDMP is a tool for the development and implementation of community programs, projects, and activities for the host and neighboring communities of a mining project/area. And is a 5-year plan geared towards the development of a responsible, self-reliant, and resource-based communities capable of developing, implementing, and managing development programs, projects and activities.

It is important to note, however, that several mining companies took the initiative to extend their time and resources to their respective host and neighboring communities during the start of the COVID 19 pandemic even before and after the issuance of the said Memorandum of the MGB. As of May 13, 2020, a total of PhP247,742,015.94 was spent by mining companies sourced from the SDMP for the procurement of PPE , medical supplies, goods and food supplies in favor of the communities and the frontliners.

**Philippine Metallic Mineral Production
Q1 2020 vs Q1 2019**

Mineral Commodity	Unit Used	JAN-MAR, 2020		JAN-MAR, 2019		% Change	
		Quantity	Value (PhP)	Quantity	Value (PhP)	Quantity	Value
PRECIOUS METALS							
Gold	KGS.	4,098	10,659,277,431	5,651	12,224,813,905	(27)	(13)
Silver	KGS.	6,335	169,667,685	8,469	217,291,534	(25)	(22)
BASE METALS							
Copper Concentrate	DMT	65,538	3,686,665,017	81,059	5,059,477,338	(19)	(27)
Copper Metal Equivalent	MT	16,035		19,350		(17)	
Mixed Nickel-Cobalt Sulfide	DMT	22,493	7,660,265,057	22,270	7,102,366,745	1	8
Mixed Nickel-Cobalt Sulfide (Metal)	MT	12,993		12,831		1	
Scandium Oxalate	Dry-Kg	3,394	90,156,352	3,081	87,069,416	10	4
Scandium Oxalate content	Dry-Kg	1,138		1,045		9	
Nickel Direct Shipping Ore	DMT	2,185,816	2,542,777,492	2,968,504	3,052,321,921	(26)	(17)
Nickel Content of Ore	MT	28,006		38,146		(27)	
Chromite	DMT	4,142	51,647,200	8,912	93,683,662	(54)	(45)
TOTAL			24,860,456,233		27,837,024,522		(10.69)

Source: Mines and Geosciences Bureau
As of May 2020

