APEX MINING CO., INC.

2024 ANNUAL REPORT

About the Cover

Apex Mining's doré bar is approximately 78% silver and 22% gold.

Table of Contents

COMPANY PROFILE

Apex Mining Co., Inc. is primarily in the business of mining and related activities. APX registered with the Securities and Exchange Commission in February 1970 and debuted in the Philippine Stock Exchange in March 1974 with the ticker symbol APX.

APX owns and operates the Maco Gold Mine in Davao De Oro (Southern Mindanao). In 2015, it acquired its wholly-owned subsidiary, Itogon-Suyoc Resources Inc. ISRI's two mines in Benguet are the Sangilo Mine Site in Itogon and the Suyoc Mine Site in Mankayan.

Monte Oro Resources & Energy, Inc. (MOREI), a wholly-owned subsidiary acquired in 2014, holds a 30% participating interest in Service Contract 72 (SC72) covering the Sampaguita natural gas field offshore northeast of Palawan. MOREI also has several mining interests and projects located in and outside the Philippines, as well as a 52% interest in International Cleanvironment Systems, Inc., a domestic company that is into solid waste disposal management.

In 2023, APX took over Asia-Alliance Mining Resources Corp. (AAMRC) with the signing of the Deeds of Absolute Sale. With this acquisition, the mining operations of APX in Maco, Davao De Oro will be able to expand and the company will have a suitable site for a new tailings storage facility (TSF) when its existing TSF reaches its full capacity.

The year 2024 marked its 54th founding anniversary as well as its 50th year as a publicly listed company.

VISION AND MISSION

"To promote the well-being of all stakeholders by embracing safety as a way of life, achieving world class environment standards, and upholding a holistic approach to wellness. This we do with care and sincere commitment to realize a sustainable, responsible, and globally recognized mining company."

EXECUTIVE OFFICERS

JOSE EDUARDO J. ALARILLA
Chairman of the Board

LUIS R. SARMIENTO, ASEAN Eng
President & Chief Executive Officer

BILLY G. TORRES
Senior Vice President - Chief Finance Officer*,
Treasurer and Compliance Officer
*effective 01 October 2024

ERIC S. ANDAL, PhD
Vice President, Geology and Exploration

EMELITA C. FABRO
Vice President, Corporate Administration

ATTY. RODULFO A. PALMA
Vice President, Legal, Mine Compliance & Risks

ATTY. SILVERIO BENNY J. TAN
Corporate Secretary

ATTY. JONAS S. KHAW
Assistant Corporate Secretary

2024 HIGHLIGHT

Apex Mining is an outstanding government partner.

In 2024, the Technical Education and Skills Development Authority (TESDA) cited Apex Mining as the Provincial Awardee in the Industry Category of its Kabalikat Awards.

The Kabalikat Awards is bestowed to its outstanding partners from various sectors (LGUs, the Legislative and NGAs).

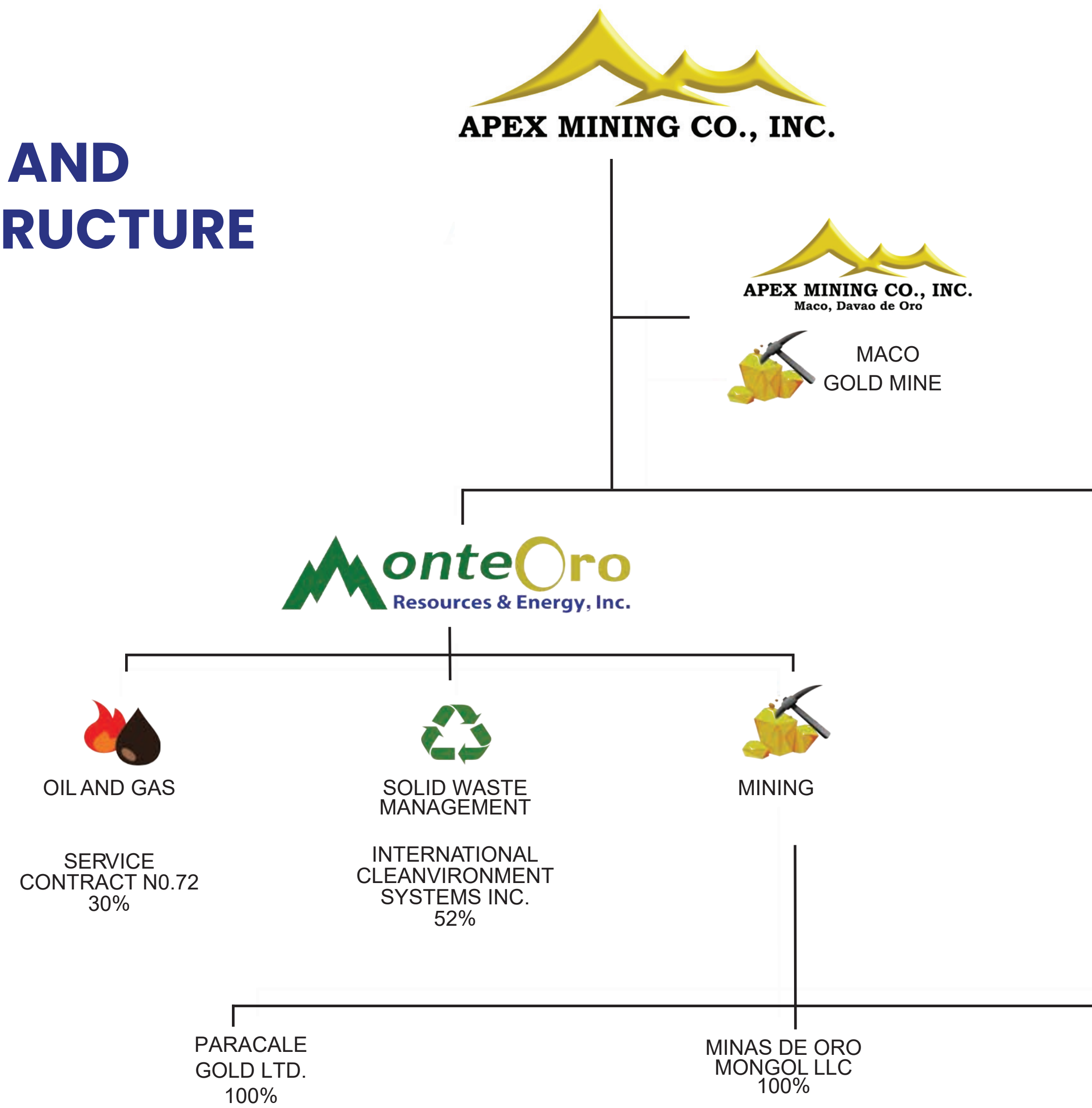
(L to R): Dir. Abegail B Eupeña, TESDA-Davao de Oro; Dir. Ashary A Banto, TESDA XI Regional Director; Luis R. Sarmiento, ASEAN Eng., Apex Mining president & CEO; Atty Rodulfo A. Palma, Apex Mining VP for Legal, Compliance and Risks; Maria Fe Palconit-Garillos, Apex Mining community relations manager; Ms Dolores Alegarbes, Chair of the Board of Judges, Search for Kabalikat ng TESDA; Ms Belle Torres, Regional TESDA Committee Chair.

BOARD OF DIRECTORS

JOSE EDUARDO J. ALARILLA
CHAIRMAN

LUIS R. SARMIENTO, ASEAN ENG
PRESIDENT AND CEO

CORPORATE AND BUSINESS STRUCTURE



MICHAEL RAY B. AQUINO
DIRECTOR

STEPHEN A. PARADIES
DIRECTOR

ROEL Z. CASTRO
DIRECTOR

JOSELITO H. SIBAYAN
INDEPENDENT DIRECTOR

VALENTINO S. BAGATSING
INDEPENDENT DIRECTOR

ATTY. SILVERIO BENNY J. TAN
CORPORATE SECRETARY

ITOGON-SUYOC RESOURCES, INC.

SANGILO
GOLD MINE

SUYOC
GOLD MINE

ASIA-ALLIANCE MINING RESOURCES, CORP.

MONTE DE ORO
MINING CO. LTD
3.92%

MORE
MINERALS SL
90%

GOLD MINES OF
UGANDA LTD.

MESSAGE FROM THE CHAIRMAN

The year 2024 may be the year that gold delivered its best annual performance, since 2000. According to an article from the World Gold Council, gold outperformed all major asset classes and was a “strong portfolio diversifier”. This precious metal recorded 40 new all-time highs over the course of the year. It breached $2,900/oz for the first time in February 2024, finally yielding an annual average price of US$2,386/oz (+23%). In value terms, gold demand also reached stellar levels with the annual value totaling US$382bn – another record high.

Analysts attributed gold’s positive performance to three key factors, namely: (1) the strong central bank and investor demand that offset the decline in consumer demand; (2) heightened geopolitical risks brought about by increased conflicts, along with a busy electoral year in various countries around the world; and, (3) periods of opportunity costs as markets saw lower yields and a weakening of the US dollar.

Indeed, gold did well in 2024.

I am proud to say that Apex Mining also performed excellently, with both of our operating mines’ production outputs beating their 2023 records. The total production of Maco Mine was 899,002 tonnes with an average grade of 3.61 grams per tonne (gpt) versus 823,427 tonnes with an average grade of 4.11 grams per tonne (gpt) in 2023. The Sangilo Mine produced 148,021 tonnes with an average grade of 3.10 grams per tonne (gpt) in 2024, also better than 2023’s 138,361 tonnes with an average grade of 3.32 gpt. Your company sold a total of 104,107 oz of gold for 2024 resulting to a record revenue and net income of Php15.1B and Php4.3B respectively. This enabled us to declare the regular and a special cash dividend totaling Php .13888 per share which is an increase of 70.55% over last year’s.

While I am proud of our miners for their outstanding performance, I am even more proud of how our Maco Mine team manifested the true essence of a Pusong Minero as they faced the devastation caused by the landslide in February. They fully supported the Provincial Government of Davao de Oro’s disaster management response, bringing the spirit of malasakit in various forms to those in need —from search, rescue and retrieval assistance, to soup kitchens, medical missions and other psycho-social interventions. Indeed, being on limited operations for five months following the landslide did not deter our High Performance Team from catching up on delayed production and making up for lost time.

Thank you, dear shareholders for your consistent support of Apex Mining. My sincere appreciation to our board members, too, for their guidance and support as Apex Mining navigates the uncertainties and complexities of our rapidly changing business environment.

And to our hardworking High Performance Team — our miners, support staff and service providers — I can only say a heartfelt, “thank you” for giving your 100% best.

With God’s steady hand and the collective work of our High Performance team, Apex Mining is in for more stellar annual outcomes.

Jose Eduardo J. Alarilla

Reference: Gold’s 2024 performance best in 14 years by Taylor Burnette (World Gold Council/gold.org, 03 January 2025)

MESSAGE FROM THE PRESIDENT & CEO

Dear Shareholders:

In 2024, we exceeded our tonnage budget and recorded strong financial numbers.

Of course, the year was not without its fair share of challenges and difficulties.

But I am proud that through the unwavering commitment and resilience of our High Performance Team, we overcame whatever curve ball was thrown at us.

The Masara Landslide

Our litmus test came on February 06, 2024 when a landslide happened in Masara.

While the slide was outside our area of operations, we immediately deployed all needed resources to help the provincial and local governments manage the devastating aftermath.

We were on limited operations for five months as our heavy equipment, engineers, geologists and other technical experts conducted search, rescue and retrieval operations and labored to stabilize ground zero.

We reported to Congress twice in 2024 and, today, we continue to have meetings and consultations with our host LGUs and other community stakeholders. Moreover, we have sealed several partnerships to implement reliable, practical and efficient mitigating measures. Today, Masara is again brimming with happy smiles.

I can sincerely say that the landslide — while it brought anguish, loss and destruction — also brought to fore our innate malasakit. Indeed, the outpouring of support and assistance was simply overwhelming. Once again, we thank all who helped – other mining companies, allied industry players, other LGUs, the DENR, the MGB… there are just too many to mention individually.

To date, we have already completed a number of tenement-wide mitigation measures as our commitment to a safer work environment for our people and our host communities remains steadfast. We also continue with our long-term housing assistance to our employees and recurring interventions like psycho-social counselling spearheaded by our partner-organizations.

Operations Performance

The five months of limited operations did not stop our hardworking team from meeting our targets in 2024. The total mine production of Maco Mine was 920,925 tonnes, with an average grade of 4.10 grams per tonne.

The Maco Mine also milled more than 899,000 tonnes with an average of 2,588 tonnes per day. Our gold recovery was at 85.71 percent while silver was at 74.72 percent.

Meanwhile, the Sangilo mine of our fully owned subsidiary, Itogon-Suyoc Resources, produced 169,776 tonnes with an average grade of 3.76 grams per tonne. It also milled over 148,000 tonnes at a 3.10 gold grade per tonne and 85.56 percent gold recovery.

In 2024, Apex Mining's consolidated net income was 4.3 billion pesos. This is 28 percent higher than 2023's. Gold sold was 104,107 ounces at a realized price of USD 2,436 per ounce. We sold 350,151 ounces of silver at a realized price of USD 28.63 per ounce. Despite a slightly lower gold recovery of 85.71 percent in 2024, the level of metal prices remained in our favor. Metal prices averaging USD 2,436 per ounce for gold and USD 28.63 per ounce for silver established a new record for our annual revenue of P15.1 billion in 2024.

A favorable exchange rate variance also worked to our advantage.

Our cost of production in 2024 was higher at P7.6 billion. But our stronger financial fundamentals and operational efficiencies helped keep our balance sheet stable. While our materials used in mining and milling rose by 26 percent, we recorded nine percent more in tonnage processed.

Company wins

It is not always about money, as the saying goes. We also enjoyed psychic rewards.
The Provincial Kabalikat Award in the Industry Category presented to us by TESDA in August 2024 was certainly a joyful recognition.
This honor validated our One team, one game mantra as we continuously strive to generate income and livelihood opportunities for the people of Davao de Oro. It was also a testament to our dedication to upskilling for the future.

We also sustained our distinction of being Maco's top business tax payer and top realty tax payer – our badge of honor reflecting the consistent fulfilment of our promise to always pay the right taxes. After all, our taxes also go towards projects that uplift the lives of our host communities.

Team highlights

Aside from celebrating our wins as a company, we also paid tribute to the success of our employees and their families. In December 2024, we presented cash gifts to our employees who have successfully passed professional accreditation and licensure examinations and the children of our employees who graduated with honors.

We encourage our employees to always go for the gold — that is, strive to be better and always enhance their credentials. From among the 2024 awardees alone, we have nine passers of the licensure exam for teachers and two ASEAN engineers. It is our dream that our employees will always be highly coveted not just in the mining industry but in all sectors as well. Thus, this focus on personal academic and professional excellence through the PEAR program.

Moving forward

We are optimistic about the future.
Many naysayers brood about climate change, disasters, and a world of downturns, slowdowns and stalled or misdirected progress.

But we firmly believe that growth is what you make it. And so, we always zero in on sustainability as we grow Apex Mining. Responsible mining is deeply ingrained in our DNA as we steadily meet our growth targets. Asia-Alliance, our subsidiary, is in the thick of an aggressive drilling campaign.
ISRI's APSA 103 has been greenlighted by our IP partners.

Gravitating towards the future in gratitude

Apex Mining continues to move forward, with gratitude to God's faithfulness.
We move forward with gratitude to our valued shareholders and ever-supportive Board of Directors. As I have said during our report to Congress in March 2024, walang iwanan.

We persevere with gratitude to our Host LGUs and communities, IPs and regulators —always extending a helping hand when needed the most, because we are here for the long haul.

Finally, we meet the future with gratitude to our hardworking men and women and our partners and contractors, showing malasakit during the difficult times and more importantly, proudly celebrating our collective wins.

Thank you very much and together, let us go for the gold.

Luis R. Sarmiento, ASEAN Eng.


APEX MINING CO., INC.
PEAR AWARDS 2024

Masara Landslide

On 06 February a landslide occurred at Barangay Masara, one of Apex Mining's host communities. What followed were five months of limited operations, with the company's resources focused on supporting the disaster management activities of the provincial government of Davao de Oro.

The unique Apex Mining malasakit was in constant motion, primarily through the seamless communication and coordination with our stakeholders – DENR, MGB, EMB, the LGUs, the Mansakas (host IPs) and other community stakeholders. Close to 400 of our employees, including our emergency response, safety, security, community relations, human resources and medical teams worked practically round-the-clock to help both APX employees and others who needed assistance. APX employees also volunteered in the evacuation centers, community pantries and the distribution of relief packs, food, and the like. APX also served as the go-between for other companies that extended help.

To address the mental and emotional well-being of the affected residents, activities that process their trauma, fears, discomfort and other negative feelings were support by APX. One such initiative is the Project Reach Masara of the Regina Rica Foundation that focuses on the needs of the children affected by the landslide.

APX also supported the relocation project of the LGU of Maco by lending our Malamodao property as a temporary relocation area, helping set up 110 tents plus common restroom facilities, a community kitchen and a multipurpose hall. APX also donated land for the joint relocation plan of the Maco LGU, the Department of Human Settlements and Urban Development and the National Housing Authority.

To minimize the exposure of our host and impact barangays to harm caused by climate change, APX also implemented science- and evidence-based solutions as well as preventive and protective measures in close coordination/consultation with the DENR- MGB. Engineering and civil works agreed on with the MGB, such as the installation of more early warning devices, streetlights and boulder arresters, as well as the stabilization of the slopes of ground zero were done, and, in July 2024, the tenement-wide geohazard assessment by the Geoscience Foundation was completed.

APX procured a LiDAR to detect ground movements and create 3D models of such movements and established an Automated Weather Station together with the MGB and the EMB to monitor, in real-time, the temperature, humidity, atmospheric pressure, rainfall volume and wind direction. The dynaslope project, an undertaking with the Philippine Institute of Volcanology and Seismology and the Davao De Oro LGU, is still in the early stages of implementation.

Aerial view: APX supported the relocation project of the LGU of Maco by lending our Malamodao property as a temporary relocation area, helping set up 110 tents plus common restroom facilities, a community kitchen and a multipurpose hall.

Mining and Milling Process

Run-of-Mine
Ore is transported from mine yard to mill yard

→

Crushing
Ore is fed to the crusher to reduce the size from 450mm to <12mm

→

Grinding
Size reduction process of crushing products from 12 mm to 75 μm

↓

Leaching
- Simultaneous leaching and absorption of Gold
- Cyanide, oxygen, and lime addition to leach Gold from ore
- Gold adsorption by carbon addition
- Cyanide detoxification of final tails with SMBS, copper sulfate and lime

←

Smelting
Smelting of sludge from Stripping process/EW process to produce final bullions of Gold/Silver

←

Final Tails
Go to the Tailings Storage Facility

Mineral Resource and Ore Reserves

The cut-off period of the updated mineral resource and report from Competent Person (CP) reports dated 22 and 28 February 2025 as well as the technical report duly notarized on 14 March 2025 on the 2025 report for economic assessment and ore reserve estimation of the gold vein deposits of Maco mines within MPSA-225-2005-XI is December 2024

The estimated mineral resource for MPSA-225-2005-XI and MPSA-234-2007-XI is 16.8 million tonnes at a grade of 4.39 gpt and 1.84 million tonnes at a grade of 5.84 gpt, respectively; the estimated ore reserves is 9.90 million tonnes at a grade of 4.18 gpt and 935.0 thousand tonnes at a grade of 6.06 gpt, respectively.

Below is the summary of the estimated mineral resource and ore reserves covering certain veins/ areas of the Maco mine lifted from the technical report duly notarized on March 14, 2025 on the exploration results and mineral resources covering veins in MPSA-225-2005-XI, prepared and submitted by Mr. Darwin Edmund L. Riguer, a registered Geologist with License No. 1684 and is an accredited CP on Exploration Results and Mineral Resource Estimation with the PMRC/Geological Society of the Philippines CP Registration No. 20-12-02.

Estimated Mineral Resource @ Cut-Off Grade of 1.00 gpt

	MPSA-225-2005-XI			MPSA-225-2005-XI		
Category	**Grade** (gpt)	**Tonnes**	**Estimated Gold** (in ounces)	**Grade** (gpt)	**Tonnes**	**Estimated Gold** (in ounces)
Inferred	4.40	6,200,000	800,000	5.50	830,000	100,000
Indicated	4.20	7,200,000	910,000	5.78	730,000	130,000
Measured	4.77	3,400,000	510,000	6.98	280,000	60,000
Total/ Average	**4.39**	**16,800,000**	**2,220,000**	**5.84**	**1,840,000**	**290,000**

Below is the technical report for the economic assessment and ore reserve estimation of the gold vein deposits of Maco mines within MPSA-225-2005-XI prepared and submitted by Mr. Constancio A. Paye, Jr., a registered Mining Engineer with License No. 0001292 and is an accredited CP with PMRC with CP Registration No. EM-ACP-074-0001292.

Estimated Ore Reserves @ Cut-Off Grade of 1.20 gpt

	MPSA-225-2005-XI			MPSA-234-2007-XI		
Category	**Grade** (gpt)	**Tonnes**	**Estimated Gold** (in ounces)	**Grade** (gpt)	**Tonnes**	**Estimated Gold** (in ounces)
Probable	3.95	6,418,000	817,000	5.71	658,000	121,000
Proven	4.61	3,479,000	514,000	6.90	277,000	60,000
Total/ Average	**4.18**	**9,897,000**	**1,331,000**	**6.06**	**935,000**	**181,000**

Operations Report (Mining & Milling)

Geology and Exploration

In 2024, underground drilling within MPSA-225 focused on targeting the lateral and vertical extensions of major veins and their splays in Maco Mine. These targets included Masarita-2, Sandy, Sandy-2, Bibak, Maria Inez, the Maria Inez Hanging Wall Split, Bonanza, the Bonanza Hanging Wall Split, and Jessie. Three in-house diamond drill rigs and one contract drill rig were utilized, completing a total of 17,759.30 meters (forty-six drill holes) in 2024.

For surface drilling, a total of 10,572.40 meters was completed in 2024, distributed among nineteen drill holes (six were drilled in-house and 13 by a contractor). The three surface drilling programs were STF-50E-01 (targeting St Francis Vein), HPE-04 (targeting the Hope Porphyry anomaly) and PGP-19 (tracing the eastern extension of the Pag-asa porphyry).

Mining Operations

The total mine production of Maco mine in 2024 was 920,925 tonnes with an average grade of 4.10 grams per tonne (gpt) compared to 844,112 tonnes with an average grade of 4.29 grams per tonne (gpt) in 2023.

Milling Operations

In 2024, total ounces of gold produced was 90,775 while silver totaled 343, 347 ounces. Milling production increased by nine percent to 899,002 tonnes from 823,427 in 2023. Tonnage per day also went up by eight percent, from 2,402 TPD in 2023 to 2,588 TPD in 2024.

Social Development and Management Program

Corporate Social Responsibility

Apex Mining spent P101.3 M in 2024 for the three major components under its Social Development and Management Program or SDMP: (1) Development of Host and Neighboring Communities (DHNC); (2) Information and Education Communication; and, (3) Development of Mining Technology and Geosciences (DMTG).

The amount was higher than 2023's actual spent of P82.2 million.

Host Barangays:

Municipality of Maco: Masara, Teresa, Mainit, Tagbaros, New Barili, New Leyte, and Elizalde
Municipality of Mabini: Golden Valley

Neighboring Barangays:

Municipality of Maco: Panoraon, Gubatan, Panangan, Limbo, Calabcab, Malamodao, Panibasan, and Kinuban

INDIGENOUS PEOPLE:

Mansaka

DEVELOPMENT OF HOST AND NEIGHBORING COMMUNITIES (DHNC) – P78.6 million

APX has five (5) priority Programs, Projects and Activities (PPAs) under the DHNC:

1. Access to Education and Educational Support
2. Health Services/Facilities and Professionals
3. Enterprise Development and Networking
4. Public Infrastructure
5. Socio-Cultural and Religious Support

Educational support

In 2024, APX education initiatives included:

1) Participation in the Department of Education's Adopt-A-School Program
    - provided construction and cleaning materials to its 16 adopted schools
    - distributed school supplies and hygiene kits to 18030 students in Kinder and grades 1-3
2) Donation of a water tank to Nuevo-Iloco Elementary School (student population: 586 learners)
3) Financial assistance to Lorenzo S. Sarmiento, Sr National High School's pond and Math & Science garden (student population: 2,511)
4) Salary augmentation for 14 LSB-paid teachers
5) Scholarships to 10 BS Nursing students
6) Support to the Alternative Learning System (ALS) through the provision of learning materials for 271 learners and salary augmentation for 11 learning facilitators
7) 25 scholars under the Apex Community Technological Training and Assessment Center, Inc. (ACT-TACI)

Health and services, facilities and professionals

APX continued to support the community health centers and medical personnel of its host and neighboring barangays.

- 12,297 patients attended to at the Infirmary/Lying-In Centers of Bgy Elizalde
- 16,396 patients treated in the health centers of Apex Mining's host barangays in Masara
- 17,161 patients catered to at the health centers of neighboring barangays

(Panoraon, Kinuban, Malamodao, Panibasan, Panangan, Calabcab, Gubatan and Limbo)

Provided medicines for simple medical conditions (fever, headache, allergies, body pain, cough and colds and the like) to the Municipal Health Office – Maco (which benefitted 4,005 patients in 37 barangays)

Provided medicines for cough, allergies, fever and wounds to the Municipal Health Office of Mabini (which benefited 45,317 patients)

Provided the Municipal Health Office of Mawab with BP apparatus for its 11 barangays (which benefitted 41,111 patients)

Catered to 1,130 patients at the AMCI clinic located inside the mine site.

Thru the ambulance that APX maintains, 69 patients were brought to the clinics and hospitals for more appropriate health interventions.

Through community-based medical consultation activities in collaboration with LGU Maco, such as the Barkadahan sa Kabarangayan, 11,067 patients received medicines and vitamins.

Provided medicines to the Provincial Health Office of Davao de Oro, benefiting 589 patients.

Enterprise Development And Networking

To spur viable and sustainable economic activities among the residents of its host and neighboring communities, APX conducted eight (08) livelihood trainings (coffee post-harvest handling, food processing, abaca production, cacao post-harvest techniques and rehab, corn production, agri-tourism, souvenir making and cacao rejuv) with a combined total participants of 138. The company also provided an all-weather drier for corn production to the TACOFA of Brgy Tagbaros, a starter kit for the establishment of an abaca plantation to the Golden Valley Farmers Association and seed capital for coconut buying and fertilizer to Brgy Elizalde's CBAEA.

Infrastructure Development And Support Services

In 2024, APX supported the construction of the Immaculate Conception of Mary Parish Elizalde.
Below is also a list of other contributions APX made to sustain peace and order and improve community facilities:

- fuel for the peace and order vehicle of Masara
- 16 rolls of water hose pipe and water coupling for Barangay Elizalde Apex Village
- relocation site for 1,500 beneficiaries under a public-private sector partnership

Socio-cultural and religious support

In 2024, APX provided PPEs to its host and neighboring barangays, equipping 44,724 people with tools to help keep them safe during natural calamities and the like. The traditional Children's Christmas Merrymaking benefited 2,300 youngsters.

Owing to the landslide in February in Masara, inter-barangay activities were halted in 2024.


APEX cares
PUSONG MINERO


APEX MINING CO., INC.
DISTRIBUTION
OF SCHOOL BAGS
APEX cares
PUSONG MINERO

INFORMATION, EDUCATION AND COMMUNICATION (IEC) CAMPAIGN – P14.9 M

APX implemented around 467 activities and initiatives promoting mine safety, geosciences and related technologies 2024:

- participation in events like the 70th Annual National Mine Safety and Environment Conference, the Nabunturan Independent Film Exhibition (NABIFILMEX), National Teachers' Month and World Teachers' Day, the 9th Yaman Philippines Student Congress
- provision of tokens and prizes that were distributed during industry like the 70th ANMSEC and the Hexat benchmarking
- provision of three (03) laptops and two (02) printers to the Regional Unified EIC program
- production and display/distribution of publicity materials like tarpaulins for barangay activities, MSWD-Maco IEC pamphlets, flyers and brochures, and booklets on people-centered early warning system for landslide

APX mascot, APEKS, was joined by MAYNING in various activities and events in 2024. There were also 16 editions of Apex @YoS (@ Your Service) in 13 barangays, benefitting 2,321 people.

DEVELOPMENT OF MINING TECHNOLOGY AND GEOSCIENCES – P7.8 M

In 2024, APX supported six (06) scholars of mining-related courses and g ave four (04) scholarship grants to University of Southeastern Philippines (USEP) for the 2nd semester. Two examinees for the Geology Licensure examination were also given financial assistance. Moreover, two University of Asia and the Pacific Agribusiness Executive Course scholars were assisted.

APX also assisted the MGB in conducting the Integrated Regional Field and Assessment & Validation System for environmental and natural resources.

The inaugural studies under the Apex Mining Professorial Chairs were by Assistant Professor Karlo Leandro Baladad, from the Department of Mining Engineering, and Associate Professor Dr. Richard Espiritu, from the Department of Metallurgical Engineering. Prof Baladad and his group studied utilizing mining tailings and silt as possible substitute cementitious materials for concrete mixes while Dr, Espiritu's group researched on using non-noble metals as oxygen reduction reaction catalysts for alkaline anion exchange membrane fuel cell.

Environmental Protection and Enhancement Program

ENVIRONMENTAL SUSTAINABILITY

As a responsible mining company, APX effectively manages and mitigates its impact to the environment.

In 2024, under its Annual Environmental Protection and Enhancement Program (AEPEP), the company spent P 141.5 million to carry out activities, initiatives and programs that catered to the care and sustenance of the environment..

LAND RESOURCES

Reforestation

In 2024, APX nurtured a total of 36,744 assorted seedlings in its central nursery and 6,602 in its two (2) mangrove satellite nurseries in Bongabong (Pantukan) and Bucana (Maco), Davao de Oro.

APX also supports both the National Greening Program and the Mining Forest Program of the DENR. Within the MPSA 225 tenement, 44.90 has are developed for Mining Forest Program (6.01 has been reforested/rehabilitated while 38.89 has is under care and maintenance). Meanwhile, 40.0 has. outside the tenement is being nurtured by APX under the NGP (20 has. has been reforested/rehabilitated while 20.0 has. is under care and maintenance). APX's NGP approach is agroforest plantation, i.e.a combination of high value fruit tree crops and native tree species. Its implementation is a collaboration with the Panoraon Farmers Association (PFA), Brgy. Elizalde Rural Workers Association (BERWA), Singanan Riverside Integrated Farmers Association (SRIFA)

In support of the country's push for propagating bamboo, APX maintains 12.0 has outside of its tenement as a bamboo plantation (while maintaining 14.58 has. within MPSA). In 2024, another 29.0 has. was developed as a new bamboo plantation. Meanwhile, 601 seedlings have been replanted while 1504 have been grown for enhancement/enrichment in support of the Mining Forest Program to maintain high survival rate, density and increase diversity in the area.

In keeping with its policy on the protection of wildlife from illegal hunting, catching and destruction of habitat aimed at improving wildlife species diversity and enhance ecological balance within the tenement and neighboring areas, APX deploys monitoring and surveillance personnel (DENR Deputized Personnel) within its tenement (with a total land area of 2,259.13 has). In 2024, no illegal forest activities and activities harmful to wildlife were monitored within the APX tenement

APX promotes environmental enhancement and protection through engaging its workforce and the community in establishing maintaining plantation sites, within and outside the tenement.

Underground Rehabilitation and Backfilling

Rehabilitation of underground mines usually involves backfilling of mined-out stopes. In 2024, a total of 119,280 tons of waste were backfilled to the different mined-out areas in the underground.


APEX MINING CO., INC.
MINE ENVIRONMENTAL PROTECTION AND ENHANCEMENT OFFICE
INTERNATIONAL COASTAL CLEANUP 2024
CLEAN SEAS FOR BLUE ECONOMY
21 September 2024
APEXcares
AGOS

Solid Waste Management

Below is a breakdown of APX's solid waste management interventions in 2024:

- 29% of solid waste were composted
- 5.66% were recycled
- 5.01% were reused
- 60.41% residuals

In 2024, a total of 274,285.00 kilos of scrap iron and recyclable materials was sold to a third-party buyer while some 71,202.67 kilos of residuals were disposed of by APX in either of the following ways:

- biodegradables were turned into vermicompost or mulch to augment mine rehabilitation activities
- recyclables were stored in APX Materials Recovery Facility (MRF) before its disposal to third-party buyers.
- residual waste were directly transported to LGU Maco Sanitary Landfill for final disposal.

APX also hired Waste Management personnel (waste segregator) to properly quantify, through actual weighing, the solid waste generated by the mine site.

WATER RESOURCES

Tailings Pond Operations and Maintenance

APX conducted regular de-silting of the creek, cleaning and clearing of debris at the CWD, replacement of worn-out pipes, detoxification and temporary revegetation along the perimeter of the tailings pond.

Monitoring/ of Ambient Water Quality and Wastewater Effluent

In compliance with its approved Environmental Monitoring Plan (EMoP). APX conducted regular monitoring of its ambient and effluent water quality through its in-house laboratory facility as well as DENR accredited 3rd party laboratories.

Collection, Storage and Disposal of Hazardous Wastes Generated

APX's hazardous waste (empty toxic containers, used lead acid batteries, oil-contaminated materials, pathological waste, used oil, and electrical wastes) were properly collected, stored, and disposed of, observing the most stringent standards. Certificates of Treatment (COT) of all disposed and treated hazardous wastes were being issued by the DENR in compliance to DAO 1992- 29.

AIR

Underground

The underground ventilation system was regularly maintained to ensure good air quality in the mining areas. The use of respirators was likewise required among workers in different areas.

Surface

Using PM10 Volumetric Sampler, ambient air quality was periodically tested in eight (08) identified air monitoring sampling locations in the mine site to ensure that the air quality was within permissible limits.

Mill Plant

Workers in the mill plant were required to use PPE (dust mask/respirators) as recommended in the Safety Data Sheet of all chemicals used in the Mill complex specifically at the chemical storage area is properly posted. The pollution control devices installed within the mill operation area were regularly maintained and emission tested to ensure compliance with DENR standards.

Satellite Hazardous Waste Storage Facility were constructed to temporarily store generated hazardous wastes before its final storage at the Central Hazardous Wastes storage facility.

Source Emission Testing

In compliance with its Permit to Operate-Air (POA), APX tapped its DENR- accredited third-party source emission service provider to conduct its annual source emission testing of the Company's air pollution source installations and pollution control devices.

Ambient Noise

Sound level monitoring at established noise monitoring locations were consistently conducted to evaluate the impact of the noise generated from APX's mining activities on the neighboring barangays. According to the monitoring data generated in 2024, the noise source that exceeded the 15-minute interval came from motorcycles with open pipes and other vehicles travelling along the barangay roads within the tenement. APX has maintained an acceptable noise level coming from its operations.

Malasakit Beyond Borders

APX malasakit extends beyond its host and impact barangays. In November 2024, the company became the first-ever Diamond Sponsor of Tebow CURE Hospital which is the first and only hospital in the country to provide Christ-centered care and charitable surgeries for children with treatable disabilities.


cure

Itogon-Suyoc Resources, Inc.

SANGILO MINE

MINING OPERATIONS

The Sangilo mine achieved a total production of 169,776 tonnes with an average grade of 3.76 grams per tonne (gpt) in 2024, compared to 161,077 tonnes with an average grade of 3.78 gpt in 2023. Mine development in 2024 included 2,621 meters of off-vein advancement, 345 meters of on-vein development, and the rehabilitation of 256 meters of old drives. In comparison, 2023 attained 3,460 meters of off-vein development, 474 meters on-vein, and 83 meters of old drive rehabilitation.

BIG BROTHER-SMALL BROTHER PROGRAM

The Big Brother-Small Brother (BBSB) program has expanded from one to three associations: the Balinguay-Sangilo Small Scale Miners Association (BSSSMA), the Demang Livelihood Association (DLA), and the Simpa-Tipong Small Scale Miners Association (SITISSMA). BSSSMA and DLA renewed their contracts in 2024, while SITISSMA joined in December 2024.

In 2024, the BBSB groups, focusing on narrow veins with a cut-off grade of 3.50 grams per tonne, contributed 18% to total mine production (31,082 metric tonnes at an average grade of 6.85 grams per tonne), showing a 68% increase from the previous year.

The BBSB Program's financial contributions in 2024 amounted to Php76.37M, including Php1.53M paid to the national government as expanded withholding tax.

MILL OPERATIONS

Since 2023, significant advancements have optimized leaching processes and facility operations. Transitioning from Carbon-in-Pulp (CIP) to Carbon-in-Leach (CIL) has enabled simultaneous leaching and gold adsorption, reducing processing time, minimizing gold losses, and significantly enhancing efficiency. Carbon transfer methods were upgraded from airlifts to transfer pumps, expediting and streamlining operations.

The Mill has also transitioned from carbon ashing to carbon stripping and gold electrowinning, a more sustainable and scalable process that permits the reuse of activated carbon while reducing emissions. This upgrade shifted production from gold buttons to dore bars, an alloy of gold and silver.

Additional enhancements include the installation of a D-6 hydrocyclone cluster to improve grinding discharge classification, the enlargement of the ball mill sump (from 4x3 meters to 6x4 meters) to enable higher milling rates, and the reconditioning of a second 2-foot cone crusher to ensure continuous crushing during HP-100 maintenance. Cyanide, Caustic Soda, and Lime mixing tanks were introduced for precise reagent preparation and supply, while new and replacement shell-and-tube heat exchangers significantly boosted carbon stripping efficiency.

These advancements have greatly improved the efficiency and sustainability of leaching processes and facility operations.


WELCOME
LEVEL-300 "ANN" PO
ITOGON - SUYOC RESOURCES,
EST. 1925
SANGILO, ITOGON, BENGU
isri
ITOGON - SUYOC RESOURCES, INC.
Sangilo, Itogon, Benguet
JOB SITE DRESS CODE
PERSONAL PROTECTIVE EQUIPMENT REQUIRED
PRE-USE INSPECTION

MILLING PLANT PERFORMANCE METRICS

In 2024, total tonnes milled increased to 148,021 at an average mill head grade of 3.10 g/t Au, compared to 131,443 tonnes at 3.32 g/t in 2023. Gold recovery rose by 13%, reaching 13,132 ounces in 2024 compared to 11,607.57 ounces in 2023.

Stripping efficiency improved significantly from 81.16% in 2023 to 91.18% in 2024. October 2024 marked a record high monthly production of 1,401 ounces. These advancements reflect enhanced processing capacity and operational efficiency, driving notable productivity gains.

EXPLORATION AND GEOLOGY

In 2024, 156,336 wet metric tonnes (WMT) of ore were fed to the crusher with an average grade of 3.91 grams per tonne (gpt), exceeding the budgeted grade of 3.65 grams per tonne (gpt). Narrow veins, contributing 18% of the total tonnage, averaged a grade of 6.85 grams per tonne (gpt). Most of the ore originated from the Taka bar and Taka footwall split.

Fifteen new narrow veins were identified, modeled, and blocked as part of the exploration and validation program. They have an average width of 0.92 meters and a global resource grade of 7.67 grams per tonne (gpt). Mineralization remains open laterally and vertically.

An updated mineral resource estimate for PC-ISRI-004-CAR reported 7.81 million tonnes at an average grade of 4.19 grams per tonne (gpt), with 21% measured and indicated resources. Measured and indicated resources increased to 1.61 million tonnes at 5.47 grams per tonne (gpt) Au, a 112% rise in tonnage compared to the 2022 estimate.

Estimated Mineral Resources

Category	Grade (gpt)	Tonnes
Measured	4.00	90,000
Indicated	3.80	110,000
Inferred	3.30	19,200,000
Average/Total	**3.30**	**19,400,000**

Notes:

** Priority Veins within patented claims L500 and above / estimated using Geovia Surpac / cut-off grade 1.0gpt*

*** ISRI historical ore reserve inside patented claims and APSA-103-CAR reverted into inferred resource / cut-off grade 2.5gpt*

*** Includes new date from recent drilling within patented claims / calculated thru polygonal method using Datamine Studio RM / cut-off grade 1.0gpt*

The figures were derived from a technical report notarized on June 10, 2021, detailing exploration results and mineral resources within PC-ISRI-004-CAR (King fr., Tabaan, Taka, and Sesame claims) and APSA-103-CAR. The report was prepared and submitted by Mr. Darwin Edmund L. Riguer, a licensed Geologist (License No. 1684) and an accredited Competent Person on Exploration Results and Mineral Resource Estimation (PMRC/Geological Society of the Philippines CP Registration No. 20-12-02).

COMPLIANCES AND PERMITTING

ISRI received a certification for BS EN ISO 14001:2015 (Environmental Management System), BS EN ISO 9001:2015 (Quality Management System), ISO 45001: 2018 (Occupational Health and Safety Management System) from the National Quality Assurance Limited (NQA) on May 30, 2023, valid until May 2026.

The 1st NQA Surveillance Audit on 19-20 April 2024, identified 22 strengths, 18 improvement opportunities, two concerns, and four minor non-conformities. From 9-14 September 2024, training sessions were held on ISO 19011:2018 Internal Audit, Documentation Management, and Hazard Identification and Risk Assessment. These sessions focused on enhancing IMS compliance, competency, and adherence to policies, covering critical areas such as internal audits, risk assessments, document control, and safety management.

These initiatives have strengthened IMS implementation, fostering sustained compliance, improved efficiency, and a proactive approach to quality, safety, and environmental management. Additional training programs are planned to further enhance IMS integration and effectiveness.

ISRI is also dedicated to professional development and regulatory compliance. On 14 May 2024, it was accredited by the Professional Regulation Commission as a Continuing Professional Development (CPD) Provider under Republic Act No. 10912 (CPD Act of 2016). On 20 November 2024, it received a Certificate of Compliance following an inspection by the Professional Regulatory Board for Metallurgical Engineering.

ISRI received the GABAY award on 08 November 2024, recognizing it as one of Benguet's Top 20 Taxpayers. Additionally, on 20 December 2024, ISRI secured the Certification Precondition and Free and Informed Consent under NCIP Administrative Order No. 03, Series of 2012, for APSA 103, covering 434 hectares within the ancestral domains of the Ibaloi, Kankana-ey, and Kalanguya ICCs/IPs in Itogon.

SOCIAL DEVELOPMENT AND MANAGEMENT PROGRAMS (Php12.869M)

Host barangays: Ampucao & Poblacion

Neighboring barangays: Virac, Tinongdan, Dalupirip, Ucab, Tuding, Gumatdang, Loacan

The ASDMP budget for developing Host and Neighboring Communities (DHNC) 2024 was Php 12,869,730.60, allocated equally allocated between Barangays Ampucao and Poblacion in the Municipality of Itogon (Php 6,434,865.30 each).

Notable programs implemented include:

Senior High School Facility: Php 1,300,000.00 was allocated to construct a makeshift facility for senior high school students at Ampucao National High School.

Youth Development Session: Supported by the PNP-PRO-COR, a 3-day Youth Development Session funded under the Information, Education, and Communication (IEC) initiative of ASDMP for 2024.

Barangay Vehicle:
Php 1,390,300.00 allocated for a Toyota van to enhance the mobility of Barangay Ampucao officials.

Support for Learners with Disabilities:
Partnered with the Philippine Mental Health Association (PMHA) for assessments at Dalicno Elementary School in Barangay Ampucao and Itogon Central School in Barangay Poblacion. These initiatives sought to enhance education, mobility, and support for learners with disabilities, ensuring sustainable development and improved community welfare.

ENVIRONMENTAL PROTECTION AND ENHANCEMENT PROGRAM (PHP42.022M)

ISRI is committed to sustainable mining through forest enrichment and maintenance activities, underground rehabilitation, water resource and management, air quality and work environment monitoring, biodiversity conversation and wildfire protection, heritage and values, and environmental research.

ISRI maintained 35 hectares of forested areas under the mine forest program, national greening program, and bamboo plantation program. It also protected planted seedlings by constructing fencing using recyclable materials to reduce waste. ISRI implemented forest fire mitigation measures, including maintaining firebreak lanes, ensuring water supply at enrichment areas, conducting aerial surveys during high temperatures, and utilizing workers as fire spotters. As of December 2024, ISRI maintained 3,418 nursery seedlings, with 65% Benguet Pine and 17% Balakat Seedlings.

ISRI consistently collected solid waste from industrial areas and camp housing, delivering it to the Material Recovery Facility (MRF), Composting or Temporary Residual Area (TRCA), and hauling residual waste to Metro Clark Waste Management Corporation or MAA Integrated Waste Solution Corporation. This effort achieved a 3% residual waste retention with an annual collection of 59.6 metric tons. Additionally, ISRI retained 3% recyclable paper, glass bottles, and plastics, generating 24 metric tons annually.

Furthermore, ISRI implemented the “Adopt-A-River” program and planted Sagat trees along Tolbing Creek, reflecting ISRI’s commitment to environmental stewardship.

SUYOC MINE

The Suyoc Mine is in the process of completing the requirements for its DMPF application, which has been endorsed by the MGB Cordillera Administrative Region and is under evaluation by the MGB Central Office. ISRI has also initiated the renewal of its MPSA 152-2000, expiring on March 30, 2025, with all initial requirements and payments submitted and endorsed.

The company is awaiting the schedule for its FPIC with NCIP-CAR, tentatively set after Lepanto's FPIC. In line with the DENR-MGB's initiative to expedite Mineral Agreement applications, Suyoc Mines is focused on fulfilling the remaining permitting requirements in the coming year.

COMMUNITY DEVELOPMENT PROGRAMS (PHP 500,148.00)

Host barangays: Suyoc, Guinaoang, and Taneg

After completing the Suyoc Exploration program in 2022 and submitting the Terminal Report on 15 January 2023, the company continued its Corporate Social Activities. A 5-Year Social Development and Management Program (SDMP) was submitted and approved on 18 September 2023 (CoA No. 032-2023-02CAR) and will be implemented upon the commercial operation of the Suyoc Mining Project.

In the interim, Corporate Social Responsibility (CSR) initiatives were undertaken in the host and neighboring communities throughout 2024. A total of Php 500,148.00 was allocated to various projects and activities. These included donations of materials and equipment for schools, construction materials for school improvements, and support for cultural activities in both directly and indirectly impacted barangays.

These efforts underscore the company's commitment to social responsibility and community development.

ENVIRONMENT WORK PROGRAM (PHP433,762.16)

The company allocated Php433,762.16 for the Environmental Work Program, which includes the Solid Waste Management Program, NGP Reforestation, and water quality monitoring. Efforts focused on community empowerment through educational campaigns promoting solid waste management principles such as reduction, reuse, and recycling.

Key Initiatives:
Solid Waste Management: Promoted reduction, reuse, and recycling through educational campaigns.

Reforestation Projects:
Supported the National Greening Program (NGP) by adopting a new reforestation project at Sitio Basig (2.17 ha) and maintaining the project at Sitio Elizabeth (7 ha), planted with pine and guava trees.

Planted 500 pine tree seedlings with the participation of community organizations.

Maintained a nursery, propagating 5,000 pine tree seedlings and fruit-bearing trees such as coffee, papaya, and ice cream beans, for distribution to upland farmers.

Water Quality Monitoring: Conducted regular water sampling at designated stations and established baseline data for local activities in direct impact barangays.

These initiatives demonstrated the company's commitment to environmental stewardship and community empowerment.

ISRI, Mines and Geosciences Bureau - Cordillera Administrative Region and three other mining companies signed a Memorandum of Agreement to jointly fight wildfires.


IMS POLICY
QUALITY, ENVIRONMENT, SAFETY AND HEALTH
MOA SIGNING
March 27, 2024
LEPANTO CONSOLIDATED MINING COMPANY
isri
Benguet Corp
PHILEX MINING CORPORATION
ERIC S. ANDAL, PhD
ENGR. VALERIANO B. BONGALOS, JR.
ENGR. RICARDO S DOLIPAS II

Monte Oro Resources & Energy, Inc.

Monte Oro Resources & Energy, Inc. (MOREI), a wholly-owned subsidiary of APX, has projects in oil and gas, mining, and solid waste management, both locally and abroad.

Mining

Paracale Gold Limited (PGL), through its subsidiary, Bulawan Mineral Resources Corporation (BMRC), oversees eight (8) mining tenements — both directly and thru a Royalty Agreement with Option to Purchase (RAWOP) arrangements. These tenements are located across different areas of Jose Panganiban, Paracale, and Labo in Camarines Norte.

In November 2024, the two tenements — EP-006-2008-V and EP-007-2008-V —were granted the second renewal. Additionally, four (4) other tenements — EXPA-000102-A-V, EXPA-000237-V, EXPA-000251-V, and EXPA-000253-V — were endorsed to the Mines and Geosciences Bureau (MGB) Central Office for final evaluation before their conversion into Exploration Permits. BMRC has yet to secure area clearance from the Tourism Department for tenement EXPA-0000254-V prior to its conversion.

Also in November 2024, EXPA-000236-V (formerly APSA-0020), where the CRPI Gold Processing Plant site is located, was reinstated to BMRC and is expected to undergo conversion process into Exploration Permit.

Meanwhile, Coral Resources Philippines, Inc. (CRPI) which owns and operates a Mineral Processing Plant, pursued the issuance of a Mineral Processing Permit (MPP) by the MGB Regional Office V, following approval of the required Environmental Protection and Enhancement Program (EPEP), Final Mine Rehabilitation and Decommissioning Plan (FMRDP), Social Development and Management Program (SDMP), and Feasibility Study.

PGL has likewise authorized small-scale mining activities within EXPA-000236-V through a Minahang Bayan declaration, with Mambulao Miner Mining & Quarrying Services (MMMQS) as proponent. With the approval of their Small-Scale Mining Contract and Environmental Compliance Certificate (ECC) in November 2024, MMMQS, with PGL's assistance, has embarked on the conduct of mining activities.

Service Contract 72

MOREI has a 30% participating interest in Service Contract 72 (SC 72), located in the Recto Bank, West Philippine Sea. SC72 has an area of 8,800sq. kms. (880,000 Hec.) which contains the Sampaguita Gas Field along with a number of exploration leads and prospects. Forum (GSEC 101) Ltd. (Forum) holds the remaining 70% participating interest and is the operator of the SC.

The Service Contract remains under Moratorium in 2024. In April 2022, the exploration activities had to be stopped upon orders of the Philippine government, again due to geopolitical issues involving the area. While the consortium has expressed its readiness to drill the commitment wells, the government approval of the same has yet to be secured.

Asia-Alliance Mining Resources, Corp.

In January 2024, the Asia-Alliance Mining Resources Corp. (AAMRC) was granted the Authority to Verify Minerals and conducted a series of exploration campaigns to validate the remaining reserves left by the previous operations of North Davao Mining Corporation in Amacan and Hijo. APX took over Asia-Alliance Mining Resources Corp. (AAMRC) in February 2023. The acquisition of AAMRC provided APX access to the AFTA-000014-XI tenement which covers more than 19,000 hectares containing at least 45 multiple mineral prospects.

Amacan Exploration

Amacan Copper Project covers the Amacan porphyry copper deposit located within Parcel II of AFTA-000014-XI. Known as the Amacan Group of Copper Prospects, it hosts five notable porphyry copper prospects — Amacan, Piaminyan, Tarago, Site-E, and Gopod. Activities under the Authority to Verify Minerals (ATVM) started in June 2024 and focused on geological mapping and bench sampling over an area of 524 hectares; a total of 431 assayed samples were collected. Drilling operations between August and December 2024 encompassed a total of 22 priority holes considering a pit bottom of 900 mASL and cut-off grades of 0.2% Cu for ore and 0.1% Cu for marginal material. Both in-house and a drilling contractor advanced a total of 7,348 meters, along with one (1) exploration hole located at the eastern extension of the Amacan Pit.

Hijo Exploration

The Hijo-Barrio-Palale (HBP) gold prospect is the most significant mineralized zone within the Hijo Group, located in the southwestern portion of AFTA-000014-XI, covering approximately 1,200 hectares. In 2024, 25 drill holes were done in HBP to define the extent of limestone breccia mineralization.

Community Development Program

Host Barangays: New Leyte, Maco and Golden Valley, Mabini.

In 2024, the one-year Community Development Program (CDP) in the context of the AAMRC's Exploration application under the terms and conditions of the Authority to Verify Minerals (ATVM) was approved. The budget of Php 15,783,750.00 is allocated for the Development of Host and Neighboring Communities (DHNC) and Information, Education, and Communication (IEC) Programs. The target date for the implementation of these programs is 1st Quarter of 2025, pending the approval of the submitted CDP to the Mines and Geosciences Bureau (MGB) Regional Office XI.

ENVIRONMENTAL WORK PROGRAM PHP 5,680,000

The Environmental Work Program (EWP)* focused on the protection and rehabilitation of the areas disturbed during the ATVM process of AAMRC and was structured into seven key activities: land resources; water resources; air quality; biological environment; environmental monitoring; socio-economic initiatives; and Baseline Data Gathering.

In 2024, AAMRC prioritized nursery operations, including the propagation of temporary slope revegetation plants. The company also joined various environmental events to promote conservation values. Regular monitoring of terrestrial flora and fauna, air quality, water quality, noise levels, and weather conditions was also conducted to ensure environmental compliance.

On the socio-economic front, AAMRC conducted Information, Education, and Communication (IEC) campaigns on Environmental Awareness at Sitio Palale and donated trash bins in support of waste management.

**The EWP is a comprehensive and strategic environmental management plan designed to achieve key environmental objectives, criteria, and commitments.*

APEX MINING CO., INC.
Masara, Maco, Davao de Oro

CERTIFICATION INTERNATIONAL
ISO 9001:2015
ISO 14001:2015
ISO 45001:2018

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Apex Mining Co., Inc. and its Subsidiaries** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In Preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders or members.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholder, has audited the consolidated financial statements of the Group in accordance with the Philippine Standard on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

JOSE EDUARDO J. ALARILLA
Chairman of the Board

LUIS R. SARMIENTO
President & Chief Executive Officer

BILLY G. TORRES
SVP-Chief Finance Officer,
Treasurer and Compliance Officer

Signed this 17th day of March 2025

Head Office: 3304B West Tower, Tektite Towers, Exchange Road, Ortigas Centre , Pasig City 1605Tel. Nos.: (632) 8706-2805/ 8706-2806 | Fax No.: (632) 8706-2804 | Website: www.apexmines.com | Mine site: Maco, Davao De Oro

Apex Mining Co., Inc. and Subsidiaries

Consolidated Financial Statements
December 31, 2024 and 2023
and Years Ended December 31, 2024, 2023 and 2022

and

Independent Auditor's Report

SGV
Building a better working world

A member firm of Ernst & Young Global Limited

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Philippines

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders
Apex Mining Co., Inc.
3304B West Tower, Tektite Towers, Exchange Road
Ortigas Center, Pasig City

Opinion

We have audited the consolidated financial statements of Apex Mining Co., Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Recoverability of Deferred Exploration Costs

As at December 31, 2024, the carrying value of the Group's deferred exploration costs amounted to ₱6.68 billion, net of allowance for impairment losses of ₱0.61 billion. The deferred exploration costs pertain to the expenditures incurred by the Group for its various projects. Under PFRS 6, *Exploration for and Evaluation of Mineral Resources*, these deferred exploration costs shall be assessed for impairment when facts and circumstances suggest that the carrying amounts exceed the recoverable amounts. The ability of the Group to recover its deferred exploration costs would depend on the commercial viability of the exploration projects. We considered this as a key audit matter because of the materiality of the amounts involved, and the significant judgment required in assessing whether there is any indication of impairment.

The Group's disclosures about deferred exploration costs are included in Note 11 to the consolidated financial statements.

Audit Response

We obtained management's assessment on whether there is any indication that deferred exploration costs may be impaired. We inspected the summary of the status of each exploration project as at December 31, 2024, as certified by the Group's technical group head, the type of expenses incurred, and assessed whether ongoing exploration activities exist to support the continued capitalization of these assets under the Group's accounting policies, and compared it with the disclosures submitted to regulatory agencies. We inspected contracts and agreements, inquired with management whether further evaluation is required in advance of a development decision and that such exploration is continuing, made reference with existing drilling results and inspected the approved budget for continuing the exploration and development costs. We inspected the licenses/permits of each exploration project to determine that the period for which the Group has the right in the specific area has not expired, will not expire in the near future, and will be renewed (or have been applied for renewal) accordingly. We also inquired about the existing concession areas that are expected to be abandoned or any exploration activities that are planned to be discontinued in those areas.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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The engagement partner on the audit resulting in this independent auditor's report is Jose Pepito E. Zabat III.

SYCIP GORRES VELAYO & CO.

Jose Pepito E. Zabat

Jose Pepito E. Zabat III
Partner
CPA Certificate No. 85501
Tax Identification No. 102-100-830
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-060-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10465410, January 2, 2025, Makati City

March 17, 2025

APEX MINING CO., INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱3,201,158,327**	₱1,342,059,132
Trade and other receivables (Note 5)	**1,294,510,081**	910,065,661
Inventories (Note 6)	**1,552,478,881**	1,292,697,855
Advances to related parties (Note 15)	**2,304,109**	2,304,109
Other current assets (Note 7)	**1,085,344,672**	1,042,456,267
Total Current Assets	**7,135,796,070**	4,589,583,024
Noncurrent Assets		
Property, plant and equipment (Note 10)	**15,119,602,080**	13,083,989,196
Deferred exploration costs (Note 11)	**6,677,730,421**	6,325,385,582
Financial assets measured at fair value through other comprehensive income (FVOCI) (Note 9)	**7,000,000**	7,000,000
Intangible assets (Note 12)	**9,629,201**	16,018,607
Deferred income tax asset - net (Note 27)	**51,875,834**	–
Other noncurrent assets (Note 13)	**3,090,028,864**	3,044,535,604
Total Noncurrent Assets	**24,955,866,400**	22,476,928,989
TOTAL ASSETS	**₱32,091,662,470**	₱27,066,512,013
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Note 14)	**₱2,031,855,670**	₱1,768,200,799
Financial liability - current (Note 1)	**925,572,825**	836,661,303
Advances from related parties (Note 15)	**374,858,016**	916,012,000
Loans payable - net of noncurrent portion (Note 18)	**2,618,354,384**	4,083,966,092
Income tax payable	**422,528,686**	271,130,169
Total Current Liabilities	**6,373,169,581**	7,875,970,363
Noncurrent Liabilities		
Financial liability - net of current portion (Note 1)	**2,172,478,970**	3,008,811,659
Loans payable - net of current portion (Note 18)	**4,610,970,065**	1,141,057,584
Provision for retirement benefits (Note 16)	**435,187,194**	405,128,596
Provision for mine rehabilitation and decommissioning (Note 17)	**20,830,866**	19,196,681
Deferred income tax liabilities - net (Note 27)	–	10,179,459
Total Noncurrent Liabilities	**7,239,467,095**	4,584,373,979
Total Liabilities	**13,612,636,676**	12,460,344,342
Equity Attributable to Equity Holders of the Parent Company		
Issued capital stock (Note 19)	**6,227,887,491**	6,227,887,491
Treasury shares (Note 19)	**(2,081,746,680)**	(2,081,746,680)
Additional paid-in capital (APIC) (Note 19)	**634,224**	634,224
Revaluation surplus on property, plant and equipment (Note 10)	**166,099,883**	190,678,741
Remeasurement loss on financial asset at FVOCI (Note 9)	**(340,842,240)**	(340,842,240)
Remeasurement gain on retirement plan (Note 16)	**29,040,911**	17,496,386
Currency translation adjustment on foreign subsidiaries	**(1,125,434)**	270,115
Retained earnings (Note 19)	**14,486,728,092**	10,598,965,204
	18,486,676,247	14,613,343,241
Non-controlling Interests (Note 19)	**(7,650,453)**	(7,175,570)
Total Equity	**18,479,025,794**	14,606,167,671
TOTAL LIABILITIES AND EQUITY	**₱32,091,662,470**	₱27,066,512,013

See accompanying Notes to Consolidated Financial Statements.

APEX MINING CO., INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2024	2023	2022
REVENUES			
Gold	**₱14,566,454,830**	₱11,621,108,228	₱9,853,786,554
Silver	**575,747,049**	453,986,367	455,813,826
	15,142,201,879	12,075,094,595	10,309,600,380
COST OF PRODUCTION (Note 21)	**(7,599,661,042)**	(6,348,914,480)	(5,432,218,065)
EXCISE TAXES	**(602,807,446)**	(478,617,442)	(402,910,300)
GENERAL AND ADMINISTRATIVE EXPENSES (Note 22)	**(471,339,322)**	(253,808,256)	(224,808,188)
FINANCE COSTS (Note 26)	**(594,812,655)**	(559,265,484)	(170,235,086)
OTHER CHARGES - net (Note 23)	**(432,329,837)**	(351,457,769)	(45,619,909)
INCOME BEFORE INCOME TAX	**5,441,251,577**	4,083,031,164	4,033,808,832
BENEFIT FROM (PROVISION FOR) INCOME TAX (Note 27)			
Current	**(1,182,258,329)**	(766,341,085)	(711,392,182)
Deferred	**65,665,279**	56,044,407	17,034,490
	(1,116,593,050)	(710,296,678)	(694,357,692)
NET INCOME	**₱4,324,658,527**	₱3,372,734,486	₱3,339,451,140
Net income (loss) attributable to:			
Equity holders of the Parent Company	**₱4,325,133,410**	₱3,408,994,699	₱3,341,547,056
Non-controlling interests	**(474,883)**	(36,260,213)	(2,095,916)
	₱4,324,658,527	₱3,372,734,486	₱3,339,451,140
BASIC/DILUTED EARNINGS PER SHARE (Note 20)	**₱0.76**	₱0.60	₱0.59

See accompanying Notes to Consolidated Financial Statements.

APEX MINING CO., INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2024	2023	2022
NET INCOME	**₱4,324,658,527**	₱3,372,734,486	₱3,339,451,140
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX			
Item that will be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign subsidiaries	**(1,395,549)**	10,711,436	(8,732,848)
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurement gain (loss) on retirement plan (Note 16)	**11,544,525**	(39,616,899)	30,980,986
Remeasurement gain on financial asset at FVOCI (Note 9)	**–**	1,000,000	2,000,000
	10,148,976	(27,905,463)	24,248,138
TOTAL COMPREHENSIVE INCOME	**₱4,334,807,503**	₱3,344,829,023	₱3,363,699,278
Total comprehensive income (loss) attributable to:			
Equity holders of the Parent Company	**₱4,335,282,387**	₱3,381,089,236	₱3,365,795,193
Non-controlling interests	**(474,884)**	(36,260,213)	(2,095,915)
	₱4,334,807,503	₱3,344,829,023	₱3,363,699,278

See accompanying Notes to Consolidated Financial Statements.

APEX MINING CO., INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, AND 2022

	Attributable to Equity Holders of the Parent Company									
	Capital stock (Note 19)	Additional paid-in capital (Note 19)	Revaluation surplus (Note 10)	Treasury shares (Note 19)	Remeasurement loss on financial asset at FVOCI (Note 9)	Remeasurement gain (loss) on retirement plan (Note 16)	Currency translation adjustment on foreign subsidiaries	Retained earnings (Note 19)	Non-controlling interests (Note 19)	Total
Balances at December 31, 2021	₱6,227,887,491	₱634,224	₱280,481,926	(₱2,081,746,680)	(₱343,842,240)	₱26,132,299	(₱1,708,473)	₱4,128,503,222	₱31,180,559	₱8,267,522,328
Net income	–	–	–	–	–	–	–	3,341,547,056	(2,095,916)	3,339,451,140
Other comprehensive income	–	–	–	–	2,000,000	30,980,986	(8,732,848)	–	–	24,248,138
Total comprehensive income	–	–	–	–	2,000,000	30,980,986	(8,732,848)	3,341,547,056	(2,095,916)	3,363,699,278
Transfer of portion of revaluation surplus	–	–	–	–	–	–	–	(59,847,556)	–	(59,847,556)
realized through depreciation, depletion and disposal, net of tax (Note 10)	–	–	(54,456,091)	–	–	–	–	54,456,091	–	–
Balances at December 31, 2022	₱6,227,887,491	₱634,224	₱226,025,835	(₱2,081,746,680)	(₱341,842,240)	₱57,113,285	(₱10,441,321)	₱7,464,658,813	₱29,084,643	₱11,571,374,050

	Attributable to Equity Holders of the Parent Company									
	Capital stock (Note 19)	Additional paid-in capital (Note 19)	Revaluation surplus (Note 10)	Treasury shares (Note 19)	Remeasurement gain (loss) on financial assets at FVOCI (Note 9)	Remeasurement gain (loss) on retirement plan (Note 16)	Currency translation adjustment on foreign subsidiaries	Retained earnings (Note 19)	Non-controlling interests (Note 19)	Total
Balances at December 31, 2022	₱6,227,887,491	₱634,224	₱226,025,835	(₱2,081,746,680)	(₱341,842,240)	₱57,113,285	(₱10,441,321)	₱7,464,658,813	₱29,084,643	₱11,571,374,050
Net income	–	–	–	–	–	–	–	3,408,994,699	(36,260,213)	3,372,734,486
Other comprehensive income	–	–	–	–	1,000,000	(39,616,899)	10,711,436	–	–	(27,905,463)
Total comprehensive income	–	–	–	–	1,000,000	(39,616,899)	10,711,436	3,408,994,699	(36,260,213)	3,344,829,023
Dividends (Note 19)	–	–	–	–	–	–	–	(310,035,402)	–	(310,035,402)
Transfer of portion of revaluation surplus realized through depreciation, depletion and disposal, net of tax (Note 10)	–	–	(35,347,094)	–	–	–	–	35,347,094	–	–
Balances at December 31, 2023	₱6,227,887,491	₱634,224	₱190,678,741	(₱2,081,746,680)	(₱340,842,240)	₱17,496,386	₱270,115	₱10,598,965,204	(₱7,175,570)	₱14,606,167,671

	Attributable to Equity Holders of the Parent Company									
	Capital stock (Note 19)	Additional paid-in capital (Note 19)	Revaluation surplus (Note 10)	Treasury shares (Note 19)	Remeasurement gain (loss) on financial assets at FVOCI (Note 9)	Remeasurement gain (loss) on retirement plan (Note 16)	Currency translation adjustment on foreign subsidiaries	Retained earnings (Note 19)	Non-controlling interests (Note 19)	Total
Balances at December 31, 2023	**₱6,227,887,491**	**₱634,224**	**₱190,678,741**	**(₱2,081,746,680)**	**(₱340,842,240)**	**₱17,496,386**	**₱270,115**	**₱10,598,965,204**	**(₱7,175,570)**	**₱14,606,167,671**
Net income	–	–	–	–	–	–	–	**4,325,133,410**	**(474,883)**	**4,324,658,527**
Other comprehensive income	–	–	–	–	–	**11,544,525**	**(1,395,549)**	–	–	**10,148,976**
Total comprehensive income	–	–	–	–	–	**11,544,525**	**(1,395,549)**	**4,325,133,410**	**(474,883)**	**4,334,807,503**
Dividends (Note 19)	–	–	–	–	–	–	–	**(461,949,380)**	–	**(461,949,380)**
Transfer of portion of revaluation surplus realized through depreciation, depletion and disposal, net of tax (Note 10)	–	–	**(24,578,858)**	–	–	–	–	**24,578,858**	–	–
Balances at December 31, 2024	**₱6,227,887,491**	**₱634,224**	**₱166,099,883**	**(₱2,081,746,680)**	**(₱340,842,240)**	**₱29,040,911**	**(₱1,125,434)**	**₱14,486,728,092**	**(₱7,650,453)**	**₱18,479,025,794**

See accompanying Notes to Consolidated Financial Statements.

APEX MINING CO., INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱5,441,251,577**	₱4,083,031,164	₱4,033,808,832
Adjustments for:			
Depreciation, depletion and amortization (Note 24)	**1,437,206,722**	1,305,423,422	1,367,207,184
Finance costs (Note 26)	**594,812,655**	559,265,484	170,235,086
Unrealized foreign exchange (gain) loss - net	**(154,724,410)**	22,279,743	662,555
Provisions for impairment losses on:			
Input VAT (Notes 13 and 23)	**112,131,442**	153,188,407	–
Advances to GMU (Notes 13 and 23)	**112,124,250**	–	–
Deferred exploration costs (Notes 11 and 23)	**2,891,262**	30,307,458	–
Nontrade receivables (Notes 13 and 23)	**–**	75,517,940	–
Provision for (reversal of) inventory losses and obsolescence (Note 6)	**101,402,941**	(37,323,030)	45,612,203
Movement in provision for retirement benefits (Note 16)	**23,754,449**	27,077,194	38,722,842
Interest income (Note 23)	**(11,333,687)**	(14,612,809)	(3,221,594)
Gain on change in estimate on provision for mine rehabilitation and decommissioning (Notes 17 and 23)	**912,476**	–	–
Gain on sale of mining rights (Notes 23)	**–**	(120,084,817)	–
Loss (gain) on sale of property, plant and equipment	**–**	–	316,444
Operating income before working capital changes	**7,660,429,677**	6,084,070,156	5,653,343,552
Decrease (increase) in:			
Trade and other receivables	**(384,444,420)**	94,107,950	(977,966,162)
Inventories	**(361,183,967)**	349,476,755	(498,310,046)
Other current assets	**(155,012,655)**	(434,581,338)	(339,787,445)
Increase (decrease) in:			
Trade and other payables	**254,845,688**	325,971,616	168,219,573
Advances from related parties	**(541,153,984)**	–	–
Net cash generated from operations	**6,473,480,339**	6,419,045,139	4,005,499,472
Interest paid	**(471,253,715)**	(490,717,449)	(298,746,674)
Income taxes paid	**(1,030,859,812)**	(725,607,626)	(836,478,440)
Interest received	**11,333,687**	14,612,809	3,221,594
Net cash flows from operating activities	**4,982,700,499**	5,217,332,873	2,873,495,952
CASH FLOWS USED IN INVESTING ACTIVITIES			
Acquisition of property, plant and equipment (Notes 10)	**(3,377,817,896)**	(2,976,317,654)	(2,229,580,078)
Acquisition of intangible assets (Note 12)	**(11,018,473)**	(3,884,664)	(14,358,393)
Proceeds from sale of mining rights	**–**	120,084,817	–
Proceeds from sale of long lead items (LLI) (Note 8)	**–**	48,506,850	–
Decrease (increase) in:			
Deferred exploration costs (Note 1 and 11)	**(355,236,101)**	(394,641,159)	(331,147,140)
Other noncurrent assets	**(157,624,703)**	(498,825,601)	(2,322,482,615)
Proceeds from disposal of property plant and equipment	**–**	–	2,142,857
Net cash flows used in investing activities	**(3,901,697,173)**	(3,705,077,411)	(4,895,425,369)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
Payment of loans (Note 18)	**(3,779,905,573)**	(962,157,621)	(945,485,592)
Payment of financial liability (Note 1)	**(1,064,095,000)**	–	–
Dividends paid (Note 19)	**(453,140,197)**	(264,986,303)	(54,268,774)
Availment of loans (Note 18)	**5,858,343,000**	–	2,573,497,673
Net cash flows from (used in) financing activities	**561,202,230**	(1,227,143,924)	1,573,743,307
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**1,642,205,556**	285,111,538	(448,186,110)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**216,893,639**	53,203,872	15,214,720
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,342,059,132**	1,003,743,722	1,436,715,112
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱3,201,158,327**	₱1,342,059,132	₱1,003,743,722

See accompanying Notes to Consolidated Financial Statement

APEX MINING CO., INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. **Corporate Information, Status of Operations and Authorization to Issue the Consolidated Financial Statements**

Corporate Information
Apex Mining Co., Inc. (the "Parent Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 26, 1970, primarily to carry on the business of mining, milling, concentrating, converting, smelting, treating, preparing for market, manufacturing, buying, selling, exchanging and otherwise producing and dealing in gold, silver, copper, lead, zinc, brass, iron, steel, and all kinds of ores, metals and minerals. The Parent Company's shares are listed in the Philippine Stock Exchange (PSE) carrying the trading symbol "APX". The Parent Company has three (3) wholly-owned subsidiaries, Itogon-Suyoc Resources, Inc. (ISRI), Monte Oro Resources & Energy, Inc. (MORE) and Asia Alliance Mining Resources Corporation (AAMRC). As at December 31, 2024 and 2023, the Parent Company has 2,744 and 2,744 stockholders, respectively.

The Parent Company currently operates the Maco Mines in Maco, Davao de Oro. ISRI holds the Sangilo and Suyoc mineral properties in Benguet Province, while MORE holds mining projects in the Philippines and abroad, participating interest in an oil and gas property, and investment in a solid waste management project. The newly acquired subsidiary, AAMRC has interest, by virtue of Joint Operating Agreement (JOA) with Philippine Mining Development Corporation (PMDC), over copper mines and mining claims covering 19,135 hectares, situated in the Municipalities of Mabini, Maco and Maragusan, Davao de Oro, also known as the North Davao Project.

The Parent Company's registered business and principal office address is 3304B West Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City, Philippines.

Acquisition of AAMRC
On December 5, 2022, the Parent Company and previous shareholders of AAMRC (collectively referred to as the "Sellers") entered into a Share Purchase Agreement (SPA) where the Parent Company shall purchase 1,900,000 shares, representing 100% equity interest in AAMRC, including all the rights, title and interest by virtue of a Notice of Award issued by PMDC as the highest bidder for the JOA over copper mines and mining claims covering 19,135 hectares, situated in the Municipalities of Mabini, Maco and Maragusan, Davao de Oro, also known as the North Davao Project, covered by application for Financial and Technical Assistance Agreement (FTAA)-XI-14, for US$81.50 million where US$5.50 million is payable upon execution of the SPA and $76.00 million shall be paid in 4 equal annual installments of US$19.00 million over the next four (4) years starting on the first anniversary of Deed of Absolute Sale (DOAS) and every year thereafter.

Furthermore, under the SPA, the Parent Company shall advance to AAMRC total commitment fees of $32.50 million due to PMDC where initial commitment fee amounting to $28.50 million (out of the total commitment fees of US$32.5 million) shall be paid at least two (2) business days prior to the scheduled date of execution of the Compromise Agreement and JOA between AAMRC and PMDC, while the remaining $4.00 million shall be paid in four (4) equal annual installment payments of $1.00 million starting the second year from signing of the JOA. These commitment fees are advances on the royalty fee under JOA to be applied or credited against the future royalty fees due to PMDC at not more than 20% of the total amount of the royalty fee due in each one (1) year period (see Note 13).

On February 10, 2023, as the closing conditions of the SPA were complied, the DOAS between the Parent Company and the Sellers were completed, and all the rights as shareholder were transferred to the Parent Company from the Sellers. The Parent Company took control of AAMRC on the said date.

The transaction was accounted for as an asset acquisition. The fair value of the consideration as at February 10, 2023, acquisition date, amounted to $71.50 million or ₱3.89 billion. The amounts recognized as at February 10, 2023 for each major class of AAMRC's identifiable assets and liabilities are as follow:

Assets	
Cash	₱125,977
Advances for royalties (Note 13)	1,678,145,664
Mining rights (Note 11)	3,968,852,322
Total assets	₱5,647,123,963
Liabilities	
Accounts payables	₱78,069,812
Due to parent company*	1,678,145,664
Total liabilities	1,756,215,476
Net assets acquired	₱3,890,908,487

**Eliminated at consolidated financial statements.*

On February 10, 2024, the Parent Company paid $19.00 million to the Sellers in relation to the SPA entered on December 5, 2022.

On February 29, 2024, the Parent Company made additional advance payment to AAMRC for royalty amounting to $1.00 million or ₱56.10 million related to the royalty fee under JOA and credited against the future royalty fees due to PMDC (see Note 13).

As at December 31, 2024 and 2023, the Parent Company has outstanding financial liability related to the asset acquisition as follows:

	2024		2023	
	In US$	**In PhP**	In US$	In PhP
Current	**US$16,000,913**	**₱925,572,825**	US$15,110,372	₱836,661,303
Noncurrent	**37,556,902**	**2,172,478,970**	54,340,106	3,008,811,659
	US$53,557,815	**₱3,098,051,795**	US$69,450,478	₱3,845,472,962

In 2024 and 2023, accretion expense recognized related to the financial liability amounted to ₱178.97 million and ₱191.34 million, respectively (see Note 26).

Status of Operations

Significant developments in the Parent Company's and its subsidiaries' (collectively referred to as the "Group") operations are as follows:

a. Mining

Maco Mines

The Parent Company's Maco Mine holds valid and subsisting Mineral Production Sharing Agreements (MPSA) No. 225-2005-XI covering 679.02 hectares and MPSA No. 234-2007-XI covering 1,558.50 hectares situated in Maco, Davao de Oro, which have terms of 25 years from the effective date.

ISO Certification
The Maco mine has three (3) certifications:

- ISO 9001:2015 for Quality Management System;
- ISO 14001:2015 for Environmental Management System; and
- ISO 45001:2018 for Occupational Health and Safety Management Systems

The scope of the certifications includes exploration underground mining, milling, and recovery of gold and silver using carbon-in-leach process, mine waste and mill trails management, and all support services, subject to satisfactory results of annual audits.

Itogon and Suyoc Mines
ISRI, an entity incorporated in the Philippines, is the holder of four (4) Patented Mineral Claims covering the Sangilo Mine in Itogon, Benguet and MPSA No. 152-2000-CAR covering the Suyoc Mine in Mankayan, Benguet.

The Sangilo Mine has completed the rehabilitation and refurbishment of its mining and milling facilities and declared the commencement of its commercial operation on July 31, 2020 at 200 tonnes per day (TPD), while the Suyoc Mine continues its resource validation and exploration.

On May 19, 2022, Sangilo Mine was granted an amended Environmental Compliance Certificate (ECC) with increased operating capacity of 500 tonnes per day (TPD).

Both the Sangilo and Suyoc mines are ISO 14001-2015 certified for environmental management system granted by TÜV Rheinland Philippines Inc., approved on March 31, 2020. The ISO certification is valid until March 30, 2023. After the expiration of the ISO 14001-2015 certification, ISRI decided to upgrade to Integrated Management System wherein three (3) certifications were granted by NQA Philippines, Inc., namely ISO 14001-2015 Environmental Management System, ISO 9001-2015 Quality Management System, and 45000-2018 Occupational Health & Safety Management System. These certifications were approved on May 30, 2023, and are valid until May 30, 2026. Sangilo mine certifications are for the mining and processing of gold and silver ore, while the Suyoc mine is for the exploration of gold and silver ore.

Paracale Gold Project
Paracale Gold Limited (PGL), through its subsidiary, Bulawan Mineral Resources Corporation (BMRC), oversees eight (8) mining tenements both directly and thru a Royalty Agreement with Option to Purchase (RAWOP) arrangements. These tenements are located across different areas of Jose Panganiban, Paracale, and Labo in Camarines Norte.

In November 2024, two of these tenements—EP-006-2008-V and EP-007-2008-V—were granted the second renewal. Additionally, four (4) other tenements—EXPA-000102-A-V, EXPA-000237-V, EXPA-000251-V, and EXPA-000253-V—have been endorsed to the Mines and Geosciences Bureau (MGB) Central Office for final evaluation before their conversion into Exploration Permits. For EXPA-0000254-V, BMRC has yet to secure area clearance from the Tourism Department prior to its conversion.

In November 2024, EXPA-000236-V (formerly APSA-0020), where the CRPI Gold Processing Plant site is located, was reinstated to BMRC and is expected to undergo conversion process into Exploration Permit.

Meanwhile, Coral Resources Philippines, Inc. (CRPI) which owns and operates a Mineral Processing Plant, pursued the issuance of a Mineral Processing Permit (MPP) by the MGB Regional Office V, following approval of the required Environmental Protection and Enhancement Program (EPEP), Final Mine Rehabilitation and Decommissioning Plan (FMRDP), Social Development and Management Program (SDMP), and Feasibility Study.

PGL has likewise authorized small-scale mining activities within EXPA-000236-V through a Minahang Bayan declaration, with Mambulao Miner Mining & Quarrying Services (MMMQS) as proponent. With the approval of their Small-Scale Mining Contract and Environmental Compliance Certificate (ECC) in November 2024, MMMQS with PGL's assistance has embarked on the conduct of mining activities.

Mongolia Project
The Khar At Uui Gold Project is registered under the joint venture company Erdeneminas LLC, which is owned 51% by Minas de Oro Mongol LLC (Minas), a wholly-owned subsidiary of MORE, and 49% by Erdenejas LLC, a Mongolian mining company. The project is under continued care and maintenance.

Sierra Leone and Uganda Projects
The Gori Hills Project located in the Republic of Sierra Leone in West Africa is owned 90% by MORE through Monte Oro Mining Co., Ltd. (MOMCL) which holds the tenements for the project, and MORE Minerals SL (MMSL), previously engaged in artisanal mining and gold trading. In 2021, it received a notice that its tenement license was revoked by the National Mineral Agency.

MORE has an interest in the Gold Mines of Uganda Ltd. (GMU) in the form of advances made to the latter. GMU owns significant gold related assets and gold resources in Uganda. GMU and MORE has a Memorandum of Agreement (MoA) whereby both parties agreed to combine their mineral interests in Africa and work towards creating a mining company that will be listed and marketed to international investors, and to enable GMU raise capital funding through the listing. As of the report date, the MoA is not yet consummated between both parties.

The two (2) licenses of Uganda project were renewed on September 9, 2020 with a tenure of three (3) years subject to a 4-year extension. The fundraising activities of GMU was not successful and it has suspended operations.

Myanmar Project
The Modi Tuang Gold Project is located in the Yementhin Township, Mandalay Division, South East of Mandalay and North of Yangon, Myanmar. The project is controlled by National Prosperity Gold Production Group Ltd. (NPGPGL) in which the Group has a 3.92% equity interest. As at December 31, 2024, the operation is still suspended due to dispute with the Myanmar government on the license terms.

North Davao Project
The North Davao Project is located in the Municipalities of Maco, Mabini, Maragusan, Nabunturan and Mawab, all in Davao De Oro Province, Philippines and is covered by the application for FTAA denominated as AFTA 14-X1. By virtue of the JOA with PMDC, AFTA 14-XI was assigned to AAMRC with the approval of DENR-MGB.

Pursuant to a 1-year Authority to Verify Minerals, AAMRC has conducted exploration and verification activities in the project area.

b. Oil and Gas

On April 6, 2022, Forum (GSEC 101) Ltd. (Forum) received a directive from the Department of Energy (DOE) to put on hold all exploration activities for SC 72 until such time that the Security, Justice, and Peace Coordinating Cluster (SJPCC) has issued the necessary clearance to proceed. Forum immediately complied with the directive by suspending its activities in SC 72.

In its April 8, 2022 reply to the DOE, Forum expressed willingness to resume activities immediately. However, Forum also stated that if no written confirmation from the DOE is received by April 10, 2022 that Forum can resume its activities on April 11, 2022, Forum will consider the suspension of work issued by the DOE to be indefinite and a force majeure event that will entitle Forum to be excused from the performance of its respective obligations and to the extension of the exploration period under SC 72.

In the absence of any letter from the DOE informing Forum to resume operations, Forum submitted a letter to the DOE on April 11, 2022 affirming a declaration of force majeure under SC 72 beginning April 6, 2022. Forum then undertook the termination of its service and supply agreements with several contractors. In the same letter, Forum stated that it is entitled to an extension of the period for exploration under SC 72 due to the recent declaration of force majeure.

On October 11, 2022, in response to Forum's letter dated April 11, 2022, the DOE granted the following:

i. Declaration of force majeure for SC 72 from April 6, 2022 until such time as the same shall be lifted by the DOE;
ii. The total expenses that were incurred as a result of the DOE directive to suspend SC 72 activities will be part of the approved recoverable costs, subject to DOE audit, and
iii. The suspension has nullified all the work done since the lifting of force majeure on October 14, 2020. Hence, SC 72 shall, in addition to the period in item 1 above, be entitled to an extension of the exploration period corresponding to the number of days that the contractors actually spent in preparation for the activities that were suspended by the suspension order issued by the DOE on April 6, 2022 (the Extension).

On November 22, 2022, Forum filed a reply letter with respect to item iii, seeking confirmation that the Extension will also cover all the time spent on all activities that are related or connected to, in support of, or necessary or desirable to enable Forum to perform its obligations and work commitments under SC 72. These include the time spent in planning the procurement of goods and services, securing permits and approvals, coordination with JV partners and the DOE, the time spent by external consultants doing work on behalf of SC 72, etc. In 2022, total cancellation fees capitalized as deferred oil and gas exploration cost as a result of the force majeure declaration amounted to ₱13.8 million.

On March 20, 2023, the DOE further affirmed that the entire period from when the force majeure was lifted to when it was re-imposed (October 14, 2020 to April 6,2022) will be credited back to SC 72. Consequently, once the force majeure is lifted, Forum will have 20 months to drill the two (2) commitment wells. While the consortium has expressed its readiness to drill the commitment wells the government approval of the same has yet to be secured. The Service Contract remains under Moratorium in 2024.

c. Solid Waste Management

MORE owns 52% of International Cleanvironment Systems, Inc. (ICSI) which has a Build-Operate-Transfer (BOT) contract with the Philippine government through the Department of Environment and Natural Resources (DENR) to manage, rehabilitate, and introduce ecologically friendly technologies for waste disposal, recycling and energy generation which agreement is yet to be put in operation. As of date, ICSI has not yet commenced its commercial operation (see Note 12).

Authorization to issue the Consolidated Financial Statements
The accompanying consolidated financial statements of the Group as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, were authorized for issuance by the Parent Company's Board of Directors (BOD) on March 17, 2025.

2. Basis of Preparation, Statement of Compliance and Material Accounting Policy Information

Basis of Preparation
The consolidated financial statements have been prepared on a historical cost basis, except for property, plant, and equipment, which are carried at revalued amounts, and for financial assets measured at FVOCI. The consolidated financial statements are presented in Philippine peso, which is the Parent Company's functional and presentation currency. All values are rounded to the nearest peso, except when otherwise indicated.

Statement of Compliance
The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Group as at December 31 of each year. The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company using consistent accounting policies.

The Parent Company's principal subsidiaries and their nature of business, country of incorporation and effective percentage of ownership are as follows:

			Effective percentage of ownership	
	Nature of business	Country of incorporation	**2024**	2023
ISRI	Mine exploration and development, and gold trading	Philippines	**100.00**	100.00
AAMRC	Mine exploration and development, and gold and copper trading	Philippines	**100.00**	100.00
MORE	Mine and oil exploration and development	Philippines	**100.00**	100.00
MORE's Subsidiaries:				
Minas	Mine exploration and development, and gold trading	Mongolia	**100.00**	100.00
PGL	Mine exploration and development	Isle of Man	**100.00**	100.00
CRPI*	Mine exploration and development	Philippines	**100.00**	100.00
BMRC*	Mine exploration and development	Philippines	**100.00**	100.00
MMSL	Mine exploration and development, and gold trading	Sierra Leone	**90.00**	90.00
MOMCL	Mine exploration and development, and gold trading	Sierra Leone	**90.00**	90.00
ICSI	Solid waste management	Philippines	**52.00**	52.00

**Indirect ownership through PGL*

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
  The amendments clarify:
  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*
  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements unless otherwise indicated.

Effective beginning on or after January 1, 2025
- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026
- *PFRS 7, Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
  - Amendments to PFRS 1, Hedge Accounting by a First-time Adopter
  - Amendments to PFRS 7, Gain or Loss on Derecognition
  - Amendments to PFRS 9, Lessee Derecognition of Lease Liabilities and Transaction Price
  - Amendments to PFRS 10, Determination of a 'De Facto Agent'
  - Amendments to PAS 7, Cost Method

Material Accounting Policy Information and Financial Reporting Policies

Presentation of Consolidated Financial Statements

The Group has elected to present all items of recognized income and expenses in two statements: a statement displaying components of profit or loss in the consolidated statements of income and a second statement beginning with profit or loss and displaying components of OCI in the consolidated statements of comprehensive income.

The financial statements of the foreign subsidiaries are translated at closing exchange rates with respect to the consolidated statement of financial position and the average exchange rates for the year with respect to the consolidated statement of income. Resulting translation differences are included in equity under "currency translation adjustment on foreign subsidiaries" and consolidated statement of comprehensive income. Upon disposal of the foreign subsidiaries, accumulated exchange differences are recognized in the consolidated statement of income as a component of the gain or loss on disposal.

Financial Instruments – Initial Recognition and Subsequent Measurement
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets
Initial Recognition and Measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are solely for payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

As at December 31, 2024 and 2023, the Group has no financial assets at FVTPL.

Subsequent Measurement
The subsequent measurement of financial assets depends on their classification as follows:

Financial Assets at Amortized Cost (Debt Instruments)
This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding. The details of these conditions are outlined below:

Business Model Assessment
The Group determined the business model at the level that best reflects how it manages its financial assets to achieve business objective.

The business model assessment is based on reasonably expected scenarios without taking ‘worst case’ or ‘stress case’ scenarios into account. If cash flows after initial recognition are realized in a way that is different from original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test
The Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

‘Principal’ for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are SPPI on the amount outstanding. In such cases, the financial assets are required to be measured at FVTPL.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group’s financial assets at amortized cost include cash with banks and cash equivalents, trade and other receivables, advances to related parties, advance to GMU, mine rehabilitation fund (MRF), and nontrade receivable under “Other noncurrent assets”.

Financial Assets Designated at FVOCI (Equity Instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial Liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings and payables.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables net of directly attributable transaction costs.

This category includes the Group's trade and other payable, accrued liabilities, financial liability and loans payable.

Subsequent Measurement
After initial recognition, payables are subsequently measured at amortized cost using the EIR method.

Impairment of Financial Assets
The Group recognizes an allowance for ECLs for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For other receivables (not subject to provisional pricing) due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by PFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognizes a loss allowance based on the financial asset's lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For any other financial assets carried at amortized cost (which are due in more than 12 months), the ECL is based on the 12-month ECL. The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one (1) year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Derecognition of Financial Assets and Financial Liabilities

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay. Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statements of income.

Offsetting of Financial Instruments

Financial assets and financial liabilities are only offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognized amounts and the Group intends to either settle on a net basis, or to realize the asset and the liability simultaneously.

The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Fair Value Measurement

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 29.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

<u>Business Combinations</u>

Acquisition Method

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any NCI in the acquiree. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition-date fair value, and any resulting gain or loss is recognized in the consolidated statement of income. It is then considered in the determination of goodwill or gain from acquisition.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for NCI over the fair value of the identifiable net assets acquired and liabilities assumed. Any excess of the fair values of the net assets acquired over the aggregate consideration transferred, after reassessment of identification of all the assets acquired and liabilities assumed, then the gain is recognized in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is subject to impairment testing annually.

Asset Acquisitions
If an acquisition of an asset or group of assets does not constitute a business, the Group shall identify and recognize the individual assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible asset in PAS 38, *Intangible Assets*) and liabilities assumed. The acquisition cost of the group shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the acquisition date. Such transaction or event does not give rise to goodwill.

Inventories
Inventories, which consist of gold and silver bullions, gold buttons, metals in-circuit, ore stockpile, and materials and supplies used in the Group's operations are physically measured or estimated and valued at the lower of cost and net realizable value (NRV). Cost is the purchase cost (including those incurred in bringing each product to its present location and condition) and is determined using the moving average method. NRV is the estimated future sales price of the product that the entity expects to realize when the product is processed and sold, less estimated costs to complete production and bring the product to sale. Where the time value of money is material, these future prices and costs to complete are discounted.

Mine Products Inventory
Gold and silver bullion pertains to dore, a mixture of gold and silver in cast bar. Metals in-circuit pertain to ores that were already fed to the mill and have undergone crushing and milling but are still in process for subsequent smelting to produce dore bullion. Ore that have been mined but are yet to undergo milling are classified as ore stockpile.

Materials and Supplies
Materials and supplies inventories are held for use in production of gold and silver bullion. It comprise all costs of purchase and other costs incurred in bringing the materials and supplies to their present location and condition. Materials and supplies inventories are written down if the cost of gold and silver bullion is expected to exceed its NRV.

Leases
Determination of Whether an Arrangement Contains a Lease
The Group determines at contract inception whether a contract is, or contains, a lease by assessing whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases that are considered of low value lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Assets Held-for-Sale and Discontinued Operations
The Group classifies noncurrent assets and disposal groups as held-for-sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Noncurrent assets and disposal groups classified as held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held-for-sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one (1) year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held-for-sale. Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or,
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

All other notes to the consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

If the criteria for held for sale is no longer met, the Group shall cease to classify the asset (or disposal group) as held for sale. The Group shall measure a non-current asset (or disposal group) that ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) at the lower of:

- its carrying amount before the asset (or disposal group) was classified as held for sale or as held for distribution to owners, adjusted for any depreciation, amortization or revaluation that would have been recognized had the asset (or disposal group) not been classified as held for sale or as held for distribution to owners, and

- its recoverable amount at the date of the subsequent decision not to sell or distribute

Property, Plant, and Equipment

Following initial recognition at cost, property, plant and equipment is carried at revalued amounts, which represent fair value at date of revaluation less any subsequent accumulated depreciation, depletion and impairment losses.

The initial cost of property, plant and equipment comprises the purchase price or construction cost, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the property, plant and equipment to its working condition and location for its intended use. Such cost includes the cost of replacing parts of such property, plant and equipment, if the recognition criteria are met. All other repairs and maintenance are charged to current operations during the financial period in which these are incurred.

Valuations are performed frequently enough to ensure that the fair value of a revalued property, plant and equipment does not significantly differ from its carrying amount. Any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount. The increase of the carrying amount of an asset as a result of a revaluation is credited directly to OCI, unless it reverses a revaluation decrease previously recognized as an expense, in which case it is credited in profit or loss. A revaluation decrease is charged directly against any related revaluation surplus, with any excess being recognized as an expense in profit or loss.

Deferred income tax is provided on the temporary difference between the carrying amount of the revalued property, plant and equipment and its tax base. Any taxable temporary differences reflect the tax consequences that would follow from the recovery of the carrying amount of the asset through sale (non-depreciable assets) and through use (depreciable assets), using the applicable tax rate.

Each year, the Group transfers, from the revaluation surplus reserve to retained earnings, the amount corresponding to the difference, net of tax, between the depreciation and depletion charges calculated based on the revalued amounts and the depreciation charge based on the assets' historical costs.

Construction in-progress is stated at cost, which includes cost of construction and other direct costs less any impairment in value. Construction in-progress is not depreciated nor depleted until such time as the relevant assets are completed and put into operational use.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Type of Asset	Estimated Useful Life in Years
Buildings and improvements	5 to 33
Mining and milling equipment	5 to 20
Power equipment	10 to 13
Roads and bridges, and land improvements	2 to 19
Exploration equipment and others	3 to 15

The assets' estimated residual values, estimated recoverable reserves and useful lives are reviewed and adjusted, if appropriate, at each reporting end of the reporting period.

Property, plant and equipment are depreciated or depleted from the moment the assets are available for use and after the risks and rewards are transferred to the Group. Depreciation and depletion cease when the assets are fully depreciated or depleted, or at the earlier of the period that the item is classified as held-for-sale (or included in the disposal group that is classified as held-for-sale) in accordance with PFRS 5, *Noncurrent Assets Held-for-Sale and Discontinued Operations,* and the period the item is derecognized.

Development Costs and Mine and Mining Properties
When it has been established that a mineral deposit is commercially mineable, development sanctioned, and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit), amounts previously carried under deferred exploration costs are tested for impairment and transferred to mine development costs.

Subsequent expenditures incurred to develop a mine on the property prior to the start of mining operations are stated at cost and are capitalized to the extent that these are directly attributable to an area of interest or those that can be reasonably allocated to an area of interest, which may include costs directly related to bringing assets to the location and condition for intended use, less any impairment in value. These costs are capitalized until assets are already available for use or when the Group has already achieved commercial levels of production at which time, these costs are moved to mine and mining properties.

Commercial production is deemed to have commenced when management determines that the completion of operational commissioning of major mine and plant components is completed, operating results are being achieved consistently for a period of time and that there are indicators that these operating results will be continued.

Depreciation of equipment used in exploration are part of deferred exploration costs.

Upon start of commercial operations, mine development costs are transferred as part of mine and mining properties. These costs are subject to depletion, which is computed using the units-of-production method based on proven and probable reserves. Mine and mining properties include the initial estimate of provision for mine rehabilitation and decommissioning.

Mine development costs, including construction in-progress incurred from an already operating mine area, are stated at cost and included as part of mine and mining properties. These pertain to expenditures incurred in sourcing new resources and converting them to reserves, which are not depleted or amortized until such time as these are completed and become available for use.

The carrying value of mine and mining properties transferred from mine development costs represents total expenditures incurred to date on the area of interest.

Any proceeds from sale of items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management shall be recognized in profit or loss.

Deferred Exploration Costs

Expenditures for mine and oil exploration work prior to drilling are charged to the consolidated statement of income. Deferred exploration costs represent capitalized expenditures related to the acquisition and exploration of mine and mining properties, including acquisition of property rights, which are stated at cost and are accumulated in respect of each identifiable area of interest, less any impairment in value.

The Group classifies deferred exploration costs as tangible or intangible according to the nature of the asset acquired or cost incurred and applies the classification consistently. Certain deferred exploration costs are treated as intangible (e.g., license and legal fees), whereas others are tangible (e.g., submersible pumps). To the extent that a tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is part of the cost of the intangible asset. However, using a tangible asset to develop an intangible asset does not change a tangible asset into an intangible asset.

Capitalized amounts may be written down if future cash flows, including potential sales proceeds related to the property, are projected to be less than the carrying value of the property. If no mineable ore body is discovered, capitalized acquisition costs are expensed in the period in which it is determined that the mineral property has no future economic value.

Intangible Assets

Intangible assets, which consist of acquired computer software licenses and other licenses, are capitalized on the basis of the costs incurred to acquire and bring to use the said software. These costs are amortized on a straight-line basis over their estimated useful lives of 3 to 25 years.

Intangible assets of the Group also include franchise cost for the implementation of the solid waste management project.

Other Noncurrent Assets
Other noncurrent assets include cash advances to third parties, input VAT, deposits, MRF, national transmission lines, and advances for royalties of the Group. These are carried at historical cost and classified as noncurrent since the Group expects to utilize these assets beyond 12 months from the end of the reporting period.

Value-added Tax (VAT)
Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount.

Impairment of Nonfinancial Assets
Property, Plant and Equipment, Intangible Assets, and Nonfinancial Other Current and Noncurrent Assets
The Group assesses at each reporting date whether there is an indication that property, plant and equipment, intangible assets, and nonfinancial other current and noncurrent assets may be impaired when events or changes in circumstances indicate that the carrying values of the said assets may not be recoverable. If any such indication exists and if the carrying value exceeds the estimated recoverable amount, the assets or CGUs are written down to their recoverable amounts. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value-in-use (VIU) and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the consolidated statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each end of the reporting period as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, depletion and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation, depletion and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The Group also provides allowance for impairment losses on mine and mining properties when these can no longer be realized. A valuation allowance is provided for unrecoverable costs of mine and mining properties based on the Group's assessment of the future prospects of a project. Full provision is made for the impairment unless it is probable that such costs are expected to be recouped through successful mine operations of the area of interest, or alternatively, by its sale. If the project does not prove to be viable or is abandoned, all revocable costs associated with the project and the related impairment provisions are written off.

Deferred Exploration Costs
An impairment review is performed when there are indicators that the carrying amount of the assets may exceed their recoverable amounts. To the extent that this occurs, the excess is fully provided against, in the reporting period in which this is determined. Deferred exploration costs are carried forward provided that at least one of the following indicators is met:

- such costs are expected to be recouped in full through successful exploration of the area of interest or alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations, in relation to the area, are continuing, or planned for the future.

Interest in Joint Arrangements
PFRS Accounting Standards defines a joint arrangement as an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control.

Joint Operations
A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement.

In relation to its interests in joint operations, the Group recognizes its:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Share of the revenue from the sale of the output by the joint operation
- Expenses, including its share of any expenses incurred jointly

Provision for Mine Rehabilitation and Decommissioning
Mine rehabilitation costs will be incurred by the Group either while operating, or at the end of the operating life of, the Group's facilities and mine properties. The Group assesses its mine rehabilitation provision at each reporting date. The Group recognizes a rehabilitation provision where it has a legal and constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. The nature of these restoration activities includes dismantling and removing structures; rehabilitating mines and tailings dams; dismantling operating facilities; closing plant and waste sites; and restoring, reclaiming, and revegetating affected areas. The obligation generally arises when the asset is installed, or the ground/environment is disturbed at the mining operation's location.

When the liability is initially recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred as a result of the development/construction of the mine. Any rehabilitation obligations that arise through the production of inventory are recognized as part of the related inventory item. Additional disturbances which arise due to further development/construction at the mine are recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur.

Costs related to restoration of site damage (subsequent to start of commercial production) that is created on an ongoing basis during production are provided for at their net present values and recognized in profit or loss as extraction progresses.

Changes in the estimated timing of rehabilitation or changes to the estimated future costs are dealt with prospectively by recognizing an adjustment to the rehabilitation liability and a corresponding adjustment to the asset to which it relates, if the initial estimate was originally recognized as part of an asset measured in accordance with PAS 16, *Property, Plant and Equipment*. Any reduction in the rehabilitation liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the statements of income. If the change in estimate results in an increase in the rehabilitation liability and, therefore, an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment. For mature mines, if the estimate for the revised mine assets net of rehabilitation provision exceeds the recoverable value, that portion of the increase is charged directly to expense. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability.

The periodic unwinding of the discount is recognized in profit or loss as part of finance costs. For closed sites, changes to estimated costs are recognized immediately in profit or loss.

Retirement Benefits Costs
The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:
- service cost
- net interest on the net defined benefit liability or asset
- remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the consolidated statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the consolidated statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which these arise. Remeasurements are not reclassified to profit or loss in subsequent periods. Remeasurements recognized in OCI after the initial adoption of Revised PAS 19 are not closed to any other equity account.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can these be paid directly to the Group. Fair value of plan assets is based on market price information.

When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditures required to settle a defined benefit obligation is recognized as a separate asset at fair value when, and only when, reimbursement is virtually certain.

Treasury Shares
Treasury shares pertain to the reciprocal shares owned by the Parent Company and MORE with each other.

Earnings Per Share
Basic
Basic earnings per share is calculated by dividing the consolidated net income attributable to ordinary stockholders of the Parent Company by the weighted average number of common shares outstanding during the year, excluding common shares purchased by the Parent Company and held as treasury shares.

Diluted
Diluted earnings per share is calculated by dividing the consolidated net income attributable to ordinary stockholders of the Group by the weighted average number of common shares outstanding, adjusted for any stock dividends declared during the year plus weighted average number of ordinary shares that would be issued on the conversion of all potentially dilutive common shares during the period.

Revenue Recognition from Mine Products
The Parent Company sends its unrefined dore to a refiner for processing into marketable metals. While it has possession of the materials, control does not automatically transfer to the refiner, unless the Parent Company elects that the material is for sale to the refiner when a deal confirmation is drawn for the details of the sale (e.g., metal contents and the London Bullion Market Association (LBMA) prices to be applied), which confirmation is considered as the enforceable contract between them. Control passes to the buyer refiner upon deal confirmation of is drawn, at which point revenue is recognized.

Interest Income
Interest income is recognized as the interest accrues using the EIR method.

Costs and Expenses
Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Costs and expenses are recognized in the consolidated statement of income in the period these are incurred.

Cost of Production
Cost of production is recognized when incurred in the normal course of business. It is comprised mainly of mining and milling costs, contracted services, depreciation, depletion and amortization, personnel costs, power and utilities, rentals, marketing and others, which are provided in the period when the goods are delivered.

Excise Taxes
Excise taxes pertain to the taxes due from the Group for its legal obligation arising from its mine products. Excise taxes are expensed as incurred.

General and Administrative Expenses
General and administrative expenses pertain to costs associated in the general administration of the day-to-day operations of the Group. These are recognized when incurred.

Borrowing Cost
Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Capitalization of borrowing costs commences when the activities to prepare the assets are in-progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use. If the carrying amount of the asset exceeds its estimated recoverable amount, an impairment loss is recorded.

When funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred. When surplus funds are temporarily invested, the income generated from such temporary investment is deducted from the total capitalized borrowing costs.

When the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the period. All other borrowing costs are recognized in the consolidated statement of income in the period in which these are incurred.

Income Taxes
Current Income Tax
Current income tax liabilities for the current and prior year periods are measured at the amount expected to be paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as of the financial reporting date.

Deferred Income Tax
Deferred income tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carry-forward benefits of unused net operating loss carry-over (NOLCO) and excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) to the extent that it is probable that sufficient future taxable income will be available against which the deductible temporary differences, unused NOLCO and excess of MCIT over RCIT can be utilized.

The carrying amount of deferred income tax assets is reviewed at each end of the reporting period and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred income tax assets are reassessed at each end of the reporting period and are recognized to the extent that it has become probable that the sufficient future taxable income will allow the deferred income tax assets to be recovered.

Deferred income tax assets are measured at the tax rate that is expected to apply to the period when the asset is realized based on tax rate and tax laws that has been enacted or substantively enacted as at the reporting date.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to offset current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of income.

Uncertainty over income tax treatments
The Group assesses at the end of each reporting period whether it has any uncertain tax treatments by reviewing the assumptions about the examination of tax treatments by the taxation authority, determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, and considering changes in relevant facts and circumstances. The Group then evaluates how likely is it that a certain tax treatment will be accepted by the taxation authority. If it is probable that the taxation authority will accept a certain tax treatment, the Group concludes that it has no uncertain tax treatment and will measure tax amounts in line with the income tax filings.

If it is not probable that the taxation authority will accept a certain tax treatment, the Group measures tax amounts based on the 'most likely amount' method (better predicts uncertainty if the possible outcomes are binary or are concentrated on one value) or 'expected value' method (better predicts uncertainty if there is a range of possible outcomes that are neither binary nor concentrated on one value). The Group presents uncertain tax liabilities as part of current tax liabilities or deferred tax liabilities.

Operating Segments
The Group's operating businesses are recognized and managed according to the nature of the products or services offered, with each segment representing a strategic business unit that serves different markets.

Segment assets include operating assets used by a segment and consist principally of operating cash, trade and other receivables, deferred exploration cost, and property, plant and equipment, net of allowances and provisions.

Segment liabilities include all operating liabilities and consist principally of trade and other payables and accrued expenses.

Segment revenue, expenses and profit include transfers between business segments. The transfers are accounted for at competitive market prices charged to unaffiliated customers for similar products. Such transfers are eliminated in the consolidation.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the President and Chief Executive Officer of the Parent Company who makes strategic decisions.

3. Summary of Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcome can differ from these estimates.

<u>Judgments</u>
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those including estimations and assumptions, which have the most significant effect on the amount recognized in the consolidated financial statements.

Identifying a Business Combination
The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process together significantly contribute to the ability to create outputs.

If the assets acquired and liabilities assumed constitute a business, the Group shall recognize the identifiable assets acquired and liabilities assumed at their fair values at acquisition date. Any excess of acquisition cost over the fair values of the assets acquired and liabilities assumed is recognized as goodwill (otherwise as gain from a bargain purchase).

If the assets acquired and liabilities assumed does not constitute a business, the Group shall recognize acquisition cost that shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the acquisition date. No goodwill is recognized.

The Group has determined that the assets acquired and liabilities assumed from the acquisition of AAMRC did not constitute a business (see Note 1).

Determination and Classification of a Joint Arrangement
Judgment is required to determine when the Group has joint control over an arrangement, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group has determined that the relevant activities for its joint arrangements are those relating to the operating and capital decisions of the arrangement. Judgment is also required to classify a joint arrangement. Classifying the arrangement requires the Group to assess their rights and obligations arising from the arrangement.

Specifically, the Group considers:

- The structure of the joint arrangement – whether it is structured through a separate vehicle
- When the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from:
  a. The legal form of the separate vehicle
  b. The terms of the contractual arrangement
  c. Other facts and circumstances (when relevant)

This assessment often requires significant judgment, and a different conclusion on joint control and whether the arrangement is a joint operation or a joint venture, may materially impact the accounting treatment for each assessment.

The Group is a member of SC 72 consortium which is entered into with the Philippine Government through a service contract. As at December 31, 2024 and 2023, the Group's joint arrangement is in the form of joint operation.

Accounting Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainties at the end of reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Provision for ECL on Trade and Other Receivables, Advances to Related Parties, Advances to GMU, Advances for Land Acquisition and Nontrade Receivable

The Group uses the general approach model as impairment requirement of PFRS 9 based on ECL. An assessment of the ECL relating to trade and other receivables, advances to related parties, advances to GMU and nontrade receivable under "Other noncurrent asset" is undertaken upon initial recognition and each financial year by examining the financial position of the related party and counter party and the market in which the related party and counter party operate applying the general approach of the ECL impairment model of PFRS 9. The general approach of the ECL impairment model involves exercise of significant judgment. Key areas of judgment include: defining default; determining assumptions to be used in the ECL model such as timing and amounts of expected net recoveries from defaulted accounts; debtor's capacity to pay, and incorporating forward-looking information in calculating ECL.

Total carrying value of trade and other receivables, advances to related parties, advances to GMU, and nontrade receivable amounted to ₱1.48 billion and ₱1.10 billion as at December 31, 2024 and 2023, respectively. These are net of allowance for impairment losses amounting to ₱303.16 and ₱191.04 million as at December 31, 2024 and 2023, respectively (see Notes 5, 13, and 15).

Valuation of Financial Assets at FVOCI

The Group carries its equity financial assets at FVOCI. Fair value measurement requires the use of accounting estimates and judgment. At initial recognition, the fair value of equity instruments is based on the latest quoted price. Any change in fair value of its financial assets at FVOCI is recognized in the consolidated statements of comprehensive income.

As at December 31, 2024 and 2023, the Group has net cumulative unrealized loss on financial assets at FVOCI amounting to ₱340.84 million. As at December 31, 2024 and 2023, the fair value of the Group's financial assets at FVOCI amounted to ₱7.00 million (see Note 9).

Estimation of Allowance for Inventory Losses and Obsolescence
The Group maintains an allowance for inventory losses and obsolescence at a level considered adequate to reflect the excess of cost of inventories over their NRV. NRV of inventories are assessed regularly based on prevailing estimated selling prices of inventories and the corresponding cost of disposal. Increase in the NRV of inventories will increase cost of inventories but only to the extent of their original acquisition costs.

As at December 31, 2024 and 2023, the carrying amounts of inventories amounted to ₱1.55 billion and ₱1.29 billion, respectively, net of allowance for inventory losses and obsolescence amounting to ₱149.11 million and ₱47.70 million, respectively (see Note 6). The Group recognized reversal of allowance for inventory losses and obsolescence amounting to ₱37.32 million in 2023 (see Note 6).

Assessment of the Recoverability of Deferred Exploration Costs
The application of the Group's accounting policy for deferred exploration costs requires judgment in determining whether future economic benefits are likely, either from future exploitation or sale, or where activities have reached a stage that permits a reasonable assessment of the existence of mineral ore resources and/or reserves. The determination of a resource is itself an estimation process that has varying degrees of uncertainty depending on a number of factors, which estimate directly impacts the determination of how much ore reserves could eventually be developed to justify further investment in and capitalization of exploration expenditures. The capitalization policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether economically viable extraction operations can be established. Estimates and assumptions made may change if and when new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that recovery is unlikely, the amount capitalized is written off in profit or loss in the period when such new information becomes available.

In 2024, 2023 and 2022, the Group recognized provision for impairment losses amounting to ₱2.89 million, ₱30.31 million and nil, respectively (see Note 23). As at December 31, 2024 and 2023, the carrying values of the deferred exploration costs amounted to ₱6.68 billion and ₱6.33 billion, respectively, net of allowance for impairment amounting to ₱611.91 million and ₱609.06 million, respectively (see Note 11).

Estimation of Fair Values, Useful Lives and Residual Values of Property, Plant and Equipment
The Group estimates the fair values, useful lives and residual values of property, plant and equipment based on the results of assessment of independent appraisers. Fair values and estimated useful lives of the property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical and commercial obsolescence and other limits on the use of the assets.

Property, plant and equipment at revalued amounts as at December 31, 2024 and 2023 has net book values amounting to ₱15.12 billion and ₱13.08 billion, respectively, while property, plant and equipment at cost as at December 31, 2024 and 2023 has net book values amounting to ₱14.90 billion and
₱12.83 billion, respectively (see Note 10).

Estimation of Depletion Rate
Depletion rates used to amortize depletable mine and mining properties are annually assessed based on the latest estimate of recoverable ore reserves. The Group estimates its ore reserves in accordance with local regulatory guidelines provided under the Philippine Mineral Reporting Code, duly reviewed and certified by an external mining engineer.

Depletion rates used to amortize depletable mine and mining properties in 2024, 2023 and 2022 were 6%, 11%, and 11%, respectively. Depletion costs amounted to ₱302.99 million, ₱412.54 million and ₱520.38 million in 2024, 2023 and 2022, respectively. As at December, 31, 2024 and 2023, the carrying values of depletable mine and mining properties amounted to ₱3.32 billion and ₱2.35 billion, respectively, net of accumulated depletion amounting to ₱4.82 billion and ₱4.51 billion, respectively (see Note 10).

Estimation of Impairment of Nonfinancial Assets, including Property, Plant and Equipment, Intangible Assets, and Other Current and Noncurrent Assets
The Group evaluates whether property, plant and equipment, intangible assets, and nonfinancial other current and noncurrent assets have suffered any impairment either annually or when circumstances indicate that related carrying amounts are no longer recoverable. The recoverable amounts of these assets have been determined based on either VIU or fair value, if said information is readily available. Estimation of VIU requires the use of estimates on cost projections, non-proprietary club shares, gold and silver prices, foreign exchange rates and mineral reserves, which are determined based on an approved mine plan, fluctuations in the market and assessment of either internal or third-party geologists, who abide by certain methodologies that are generally accepted within the industry. Fair value is based on the results of assessment done by independent appraisers engaged by the Group. The approach utilizes prices recently paid for similar assets with adjustments made to the indicated market price to reflect condition and utility of the appraised assets relative to the market comparable.

Aggregate net book values of property, plant and equipment, intangible assets, and nonfinancial other current and noncurrent assets amounted to ₱18.21 billion and ₱16.14 billion as at December 31, 2024 and 2023, respectively (see Notes 7, 10, 12, and 13).

These are subjected to impairment testing when impairment indicators are present. As at December 31, 2024 and 2023, allowance for impairment loss on property, plant and equipment amounted to ₱504.14 billion (see Note 10). Impairment loss recognized in 2024, 2023 and 2022 amounted to nil (see Note 23).

As at December 31, 2024 and 2023, allowance for impairment loss on intangibles assets amounted to ₱192.20 million (see Note 12). Impairment loss recognized in 2024, 2023 and 2022 amounted to nil (see Note 23).

As at December 31, 2024 and 2023, allowance for impairment loss on nonfinancial other noncurrent assets amounted to ₱501.95 million and ₱389.82 million, respectively. Impairment loss recognized in 2024, 2023 and 2022 amounted to ₱112.13 million, ₱228.71 million and nil, respectively (see Note 23).

Estimation of Provision for Retirement Benefits
The costs of defined benefit retirement as well as the present value of the provision for retirement benefits are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future retirement increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, retirement benefit liability is highly sensitive to changes in these assumptions. All assumptions are reviewed at each end of the reporting period.

Retirement benefits costs amounted to ₱70.67 million, ₱93.92 million, and ₱64.16 million in 2024, 2023 and 2022, respectively. Provision for retirement benefits amounted to ₱435.19 million, and ₱405.13 million and as at December 31, 2024 and 2023, respectively. Benefits paid in 2024 and 2023 amounted to ₱25.46 million and ₱45.36 million, respectively (see Note 16).

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit retirement liability.

Further details about the assumptions used are provided in Note 16.

Estimation of Provision for Mine Rehabilitation and Decommissioning
The Group assesses its provision for mine rehabilitation and decommissioning annually. Significant estimates and assumptions are made in determining the provision as there are numerous factors that will affect it. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases and changes in discount rates, which uncertainties may result in future actual expenditure differing from the amounts currently provided. Changes to estimated future costs are recognized in the consolidated statement of financial position by adjusting the rehabilitation asset against the corresponding liability. The provision at the end of the reporting period represents management's best estimate of the present value of the future rehabilitation and other costs required.

The Parent Company's revised Final Mine Rehabilitation and/or Decommissioning Plan (FMRDP) was approved on April 20, 2021, which consists of revised estimated mine life from three (3) to 10 years and discount rate compared to the original FMRDP that was approved on March 13, 2017.

Accretion expense amounted to ₱0.72 million and ₱0.69 million in 2024 and 2023, respectively. Effect of change in estimate on provision for mine rehabilitation amounted to ₱0.91 million and nil in 2024 and 2023, respectively. As at December 31, 2024 and 2023, the provision for mine rehabilitation and decommissioning amounted to ₱20.83 million and ₱19.20 million, respectively (see Note 17).

Assessment on Provisions and Contingencies
The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with in-house and outside counsel handling the Group's defense in these matters and is based upon an analysis of potential results. The Group currently assessed that these proceedings will not have a material adverse effect on its financial position.

It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (see Note 30).

Assessment of Realizability of Deferred Income Tax Assets
The Group reviews the carrying amounts of deferred income taxes assets at each end of the reporting period and reduces deferred income tax assets to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

As at December 31, 2024 and 2023, the Group recognized deferred tax asset related to retirement benefits, unrealized foreign exchange losses, and provision for mine rehabilitation amounting to ₱188.84 million and ₱137.19 million, respectively. As at December 31, 2024 and 2023, unrecognized deductible temporary differences amounted to ₱2.56 billion and ₱2.15 billion, respectively (see Note 27).

4. Cash and cash equivalents

	2024	2023
Cash on hand	**₱3,153,010**	₱2,815,510
Cash with banks	**3,189,393,077**	1,330,631,382
Short-term deposits	**8,612,240**	8,612,240
	₱3,201,158,327	₱1,342,059,132

Cash with banks earn interest at the respective bank deposit rates. Short-term deposits are made for varying periods, usually of up to three (3) months, depending on the cash requirements of the Group.

Interest income arising from cash with banks and short-term deposits amounted to ₱11.33 million, ₱14.61 million, and ₱3.22 million in 2024, 2023 and 2022, respectively (see Note 23).

The Group has foreign currency-denominated cash amounting to US$36.94 million and US$11.35 million as at December 31, 2024 and 2023, respectively (see Note 28).

5. Trade and Other Receivables

	2024	2023
Trade	**₱1,229,808,874**	₱841,448,673
Advances to officers and employees	**36,198,345**	50,484,014
Others	**50,492,690**	40,122,802
	1,316,499,909	932,055,489
Less provision for ECL	**21,989,828**	21,989,828
	₱1,294,510,081	₱910,065,661

Trade receivables are noninterest-bearing and are generally on less than 15 days' terms. These are related to precious metal refining and transportation agreement entered into by the Group with Heraeus Limited (Heraeus), a refining company based in Hong Kong (see Note 30).

The Group has foreign currency-denominated trade and other receivables amounting to US$20.85 million and US$14.81 million as at December 31, 2024 and 2023, respectively (see Note 28).

Advances to officers and employees pertain to cash advances that are subject to liquidation and/or salary deduction within 10 to 30 days.

Other receivables comprise of advances for social security claims and medical benefits of employees. These said advances will be settled by the employees once their claims or benefits have been received from the related agency.

The provision for ECL on other receivables amounted to ₱21.99 million as at December 31, 2024 and 2023. The Group did not recognize any additional provision or reversal in 2024 and 2023.

6. Inventories

	2024	2023
Gold and silver bullions and buttons - at cost	**₱244,580,700**	₱299,267,510
Metals in-circuit - at cost	**153,811,586**	87,652,927
Ore stockpile - at cost	**42,555,577**	27,784,894
Materials and supplies - at NRV	**1,111,531,018**	877,992,524
	₱1,552,478,881	₱1,292,697,855

Cost of inventories recognized as part of cost of production amounted to ₱2.98 billion, ₱2.36 billion, and ₱1.94 billion in 2024, 2023 and 2022, respectively (see Note 21).

Cost of materials and supplies recognized as part of general and administrative expenses in 2024, 2023 and 2022 amounted to ₱26.56 million, ₱5.67 million, and ₱6.76 million, respectively (see Note 22).

Movements in allowance for inventory losses and obsolescence pertaining to materials and supplies are as follows:

	2024	2023
Beginning balances	**₱47,702,461**	₱85,025,491
Provision	**101,402,941**	–
Reversal	**–**	(37,323,030)
Ending balances	**₱149,105,402**	₱47,702,461

7. Other Current Assets

	2024	2023
Advances to suppliers and contractors	**₱997,651,736**	₱905,515,876
Prepayments	**45,705,398**	75,986,891
Others	**41,987,538**	60,953,500
	₱1,085,344,672	₱1,042,456,267

Advances to suppliers and contractors comprise mainly of advance payments made by the Group relating to the services, materials, and supplies necessary in the operations. These are noninterest-bearing and will be realized through offsetting against future billings from suppliers and contractors.

Prepayments include licenses and premiums on insurance policies covering the Group's heavy equipment, vehicles, plant and employees.

Others pertain to deposits made by the Group to non-bank entities including service professionals.

8. **Assets Held-for-Sale**

On May 27, 2022, Forum, on behalf of the SC 72 Joint Venture, and Nido Petroleum Philippines Pty Ltd ("Nido"), technical operator of SC 54 and SC 6B, signed a Term Sheet wherein Nido agreed to purchase most of the SC 72 long lead items (LLIs) such as wellheads, casings and accessories, conductor, drill bits, etc. for US$2.9 million, to be paid in tranches within 12 months. On June 10, 2022, a Sale and Purchase Agreement (SPA) was executed with Nido to formalize the transaction. Nido paid the first tranche amounting to US$400 thousand in mid-June 2022. The second and third tranches amounting to US$500 thousand each were paid on September 7 and October 7, 2022, respectively. The balance of US$ 1.5 million due on or before June 10, 2023.

On November 25, 2022, Forum submitted a request to the DOE for approval to sell the LLIs, and which the latter approved on December 15, 2022. The proceeds from the sale of the LLIs will be deducted from the SC 72 historical costs, subject to DOE's validation.

As at December 31, 2022, MORE's 30% share in LLIs amounting to ₱48.51 million are classified as "Assets held-for-sale" in the consolidated statement of financial position, while initial payments received amounting to ₱23.42 million were recorded as part of "Trade and Other Payables".

In May 2023, an amendment to SPA was signed, granting Nido an extension to settle the remaining balance of the purchase price. Following Nido's full payment of the balance in October 2023, a Deed of Absolute Sale was executed, finalizing the transfer of ownership of LLIs to Nido.

9. **Financial Assets Measured at FVOCI**

Rollforward analysis of equity securities for the years ended December 31, 2024 and 2023 follow:

	2024	2023
Cost	**₱347,842,240**	₱347,842,240
Change in fair value of equity instrument financial assets:		
At the beginning of the year	**(340,842,240)**	(341,842,240)
Changes of fair value recognized in OCI	**–**	1,000,000
At the end of the year	**(340,842,240)**	(340,842,240)
	₱7,000,000	₱7,000,000

As at December 31, 2024 and 2023, financial assets at FVOCI pertains to MORE's investment in National Prosperity Gold Production Group Ltd. (NPGPGL) and ISRI's investment in Baguio Country Club (BCC) golf shares.

NPGPGL is a private entity in Myanmar, in which the Group holds a 3.92% ownership interest costing ₱344.64 million as at December 31, 2024 and 2023. The operations of NPGPGL were suspended due to dispute with the Myanmar government on the license terms. In 2018, the Group recognized remeasurement loss on the financial asset at FVOCI amounting to ₱344.64 million, thus as at December 31, 2024 and 2023, the fair value of the financial asset at FVOCI for MORE's investment in NPGPGL amounted to nil. No dividend was recognized by MORE from NPGPGL in 2024 and 2023.

As at December 31, 2024 and 2023, the fair value of the financial asset at FVOCI of ISRI's investment in BCC shares amounted to ₱7.00 million.

10. Property, Plant and Equipment

	2024							
	Buildings and improvements	Mining and milling equipment	Power equipment	Roads and bridges, and land improvements	Exploration equipment and others	Mine and mining properties	Construction in-progress	Total
At revalued amounts:								
Balances at beginning of year	**₱629,954,421**	**₱9,003,629,945**	**₱753,019,842**	**₱1,256,199,314**	**₱741,618,967**	**₱11,750,446,166**	**₱2,264,014,986**	**₱26,398,883,641**
Additions	**52,941,642**	**1,350,076,858**	**10,961,595**	**35,862,225**	**117,106,931**	**1,095,402,880**	**715,465,765**	**3,377,817,896**
Capitalized borrowing cost (Note 18)	–	–	–	–	–	**61,660,755**	**15,933,076**	**77,593,831**
Capitalized depreciation (Note 24)	–	–	–	–	–	**78,017,380**	–	**78,017,380**
Reclassifications from construction in-progress	**30,646,939**	**182,153,313**	**183,990,837**	**99,890,295**	**6,635,199**	–	**(503,316,583)**	–
Disposals and write-off	–	**(17,669,440)**	–	–	–	–	–	**(17,669,440)**
Balances at end of year	**713,543,002**	**10,518,190,676**	**947,972,274**	**1,391,951,834**	**865,361,097**	**12,985,527,181**	**2,492,097,244**	**29,914,643,308**
Accumulated depreciation and depletion:								
Balances at beginning of year	**353,396,308**	**6,005,950,952**	**654,429,788**	**856,860,219**	**426,319,995**	**4,513,798,267**	–	**12,810,755,529**
Depreciation and depletion (Note 24)	**69,091,375**	**912,187,058**	**56,184,817**	**75,915,382**	**81,439,194**	**302,998,397**	–	**1,497,816,223**
Reclassifications/Transfers	–	**(17,669,440)**	–	–	–	–	–	**(17,669,440)**
Balances at end of year	**422,487,683**	**6,900,468,570**	**710,614,605**	**932,775,601**	**507,759,189**	**4,816,796,664**	–	**14,290,902,312**
Allowance for impairment:								
Balances at beginning and end of year	**286,367**	**3,318,744**	–	**159,229,430**	**425,535**	–	**340,878,840**	**504,138,916**
Net book values	**₱290,768,952**	**₱3,614,403,362**	**₱237,357,669**	**₱299,946,803**	**₱357,176,373**	**₱8,168,730,517**	**₱2,151,218,404**	**₱15,119,602,080**

	2023							
	Buildings and improvements	Mining and milling equipment	Power equipment	Roads and bridges, and land improvements	Exploration equipment and others	Mine and mining properties	Construction in-progress	Total
At revalued amounts:								
Balances at beginning of year	₱529,538,739	₱7,945,695,766	₱706,620,187	₱1,256,199,314	₱584,179,160	₱10,420,408,130	₱1,739,628,293	₱23,182,269,589
Additions	69,933,150	1,047,704,642	4,042,626	–	152,993,981	1,109,745,207	591,898,048	2,976,317,654
Capitalized borrowing cost (Note 18)	–	–	–	–	–	91,949,362	20,003,569	111,952,931
Capitalized depreciation (Note 24)	–	–	–	–	–	128,343,467	–	128,343,467
Reclassifications from construction in-progress	30,482,532	10,229,537	42,357,029	–	4,445,826	–	(87,514,924)	–
Balances at end of year	629,954,421	9,003,629,945	753,019,842	1,256,199,314	741,618,967	11,750,446,166	2,264,014,986	26,398,883,641
Accumulated depreciation and depletion:								
Balances at beginning of year	304,870,243	5,235,439,086	611,041,070	773,715,143	360,422,645	4,101,253,348	–	11,386,741,535
Depreciation and depletion (Note 24)	48,526,065	770,511,866	43,388,718	83,145,076	65,897,350	412,544,919	–	1,424,013,994
Balances at end of year	353,396,308	6,005,950,952	654,429,788	856,860,219	426,319,995	4,513,798,267	–	12,810,755,529
Allowance for impairment:								
Balances at beginning and end of year	286,367	3,318,744	–	159,229,430	425,535	–	340,878,840	504,138,916
Net book values	₱276,271,746	₱2,994,360,249	₱98,590,054	₱240,109,665	₱314,873,437	₱7,236,647,899	₱1,923,136,146	₱13,083,989,196

In 2019, the Parent Company revalued its property, plant and equipment based on estimated fair values as indicated in the independent appraiser's report. The assigned value was estimated using the cost approach method, which is based on economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction. The cost approach involves the appraiser coming up with the replacement cost less an allowance for accrued depreciation as evidenced by the observed condition in comparison with new units of like kind with consideration to physical deterioration and functional/economic. The Group assessed that the current use of the buildings and improvements, mining and milling equipment, power equipment, roads bridges and land improvements and exploration equipment and others is their highest and best use.

Construction in-progress consists mainly of expenditures and other construction projects such as Tailings Management Facility, drainage tunnels, etc. at different stages of completion as at December 31, 2024 and 2023.

Movement in revaluation surplus in equity is as follows:

	2024	2023
Balances at beginning of year	**₱190,678,741**	₱226,025,835
Realized portion through depreciation, net of tax (Note 19)	**(24,578,858)**	(35,347,094)
Balance at end of year	**₱166,099,883**	₱190,678,741

Total revaluation surplus is not available for distribution to stockholders until this is realized through depreciation and disposal.

If the property, plant and equipment were carried at cost less accumulated depreciation and accumulated impairment loss, the amounts would be as follows:

	2024							
	Buildings and improvements	**Mining and milling equipment**	**Power equipment**	**Roads and bridges and land improvements**	**Exploration equipment, and others**	**Mine and mining properties**	**Construction in-progress**	**Total**
At cost:								
Balances at end of year	**₱669,810,912**	**₱11,020,318,168**	**₱1,024,895,838**	**₱1,363,586,740**	**₱916,200,833**	**₱12,985,527,183**	**₱2,278,653,969**	**₱30,258,993,643**
Accumulated depreciation and depletion:								
Balances at end of year	**433,792,428**	**7,348,427,353**	**728,967,926**	**960,072,261**	**568,662,528**	**4,816,796,663**	**–**	**14,856,719,159**
Allowance for impairment:								
Balances at end of year	**286,367**	**3,318,744**	**–**	**159,229,430**	**425,535**	**–**	**340,878,840**	**504,138,916**
Net book values	**₱235,732,117**	**₱3,668,572,071**	**₱295,927,912**	**₱244,285,049**	**₱347,112,770**	**₱8,168,730,520**	**₱1,937,775,129**	**₱14,898,135,568**

	2023							
	Buildings and improvements	Mining and milling equipment	Power equipment	Roads and bridges and land improvements	Exploration equipment, and others	Mine and mining properties	Construction in-progress	Total
At cost:								
Balances at end of year	₱586,222,331	₱9,505,757,437	₱829,943,406	₱1,227,834,220	₱792,458,703	₱11,750,446,167	₱2,050,571,713	₱26,743,233,977
Accumulated depreciation and depletion:								
Balances at end of year	368,875,742	6,475,221,620	675,255,431	886,168,027	490,025,099	4,513,798,267	–	13,409,344,186
Allowance for impairment:								
Balances at end of year	286,367	3,318,744	–	159,229,430	425,535	–	340,878,840	504,138,916
Net book values	₱217,060,222	₱3,027,217,073	₱154,687,975	₱182,436,763	₱302,008,069	₱7,236,647,900	₱1,709,692,873	₱12,829,750,875

The cost of fully depreciated property, plant and equipment that are still being used amounted to ₱4.07 billion and ₱1.92 billion as at December 31, 2024 and 2023, respectively.

In 2021, the tenement applications related to mine project of PGL located in Jose Panganiban, Camarines Norte were adversely affected by the freeze on issuance of new mining licenses by the Philippine government. The Group deems it prudent to provide for the impairment of the related mineral processing plant assets. In 2024, 2023 and 2022, the Group recognized impairment losses on property, plant and equipment amounting to nil. (see Note 23).

The Group capitalized borrowing cost amounting to ₱15.93 million and ₱20.00 million for construction in-progress, ₱61.66 million and ₱91.95 million for mine development costs in 2024 and 2023, respectively. The rate used by the Parent Company to determine the amount of borrowing costs eligible for capitalization was 6.51% and 6.50% in 2024 and 2023, respectively. The rate used by ISRI was 8.66% and 8.56% in 2024 and 2023, respectively (see Note 18).

Breakdown of mine and mining properties and mine development cost is shown below:

	2024				
	Depletable				
	Mine and mining properties	**Mine rehabilitation assets**	**Subtotal**	**Mine development cost**	**Total**
Cost:					
Balances at beginning of year	**₱6,835,096,228**	**₱29,259,674**	**₱6,864,355,902**	**₱4,886,090,264**	**₱11,750,446,166**
Additions	–	–	–	**1,095,402,880**	**1,095,402,880**
Capitalized depreciation	–	–	–	**78,017,380**	**78,017,380**
Capitalized borrowing costs	–	–	–	**61,660,755**	**61,660,755**
Transfers	**1,276,794,956**	–	**1,276,794,956**	**(1,276,794,956)**	–
Balances at end of year	**8,111,891,184**	**29,259,674**	**8,141,150,858**	**4,844,376,323**	**12,985,527,181**
Accumulated depletion:					
Balances at beginning of year	**4,487,010,887**	**26,787,380**	**4,513,798,267**	–	**4,513,798,267**
Depletion	**302,998,397**	–	**302,998,397**	–	**302,998,397**
Balances at end of year	**4,790,009,284**	**26,787,380**	**4,816,796,664**	–	**4,816,796,664**
Net book values	**₱3,321,881,900**	**₱2,472,294**	**₱3,324,354,194**	**₱4,844,376,323**	**₱8,168,730,517**

	2023				
	Depletable				
	Mine and mining properties	Mine rehabilitation assets	Subtotal	Mine development cost	Total
Cost:					
Balances at beginning of year	₱6,777,003,271	₱29,259,674	₱6,806,262,945	₱3,614,145,185	₱10,420,408,130
Additions	–	–	–	1,109,745,207	1,109,745,207
Capitalized depreciation	–	–	–	128,343,467	128,343,467
Capitalized borrowing costs	–	–	–	91,949,362	91,949,362
Transfers	58,092,957	–	58,092,957	(58,092,957)	–
Balances at end of year	6,835,096,228	29,259,674	6,864,355,902	4,886,090,264	11,750,446,166
Accumulated depletion:					
Balances at beginning of year	4,074,885,708	26,367,640	4,101,253,348	–	4,101,253,348
Depletion	412,125,179	419,740	412,544,919	–	412,544,919
Balances at end of year	4,487,010,887	26,787,380	4,513,798,267	–	4,513,798,267
Net book values	₱2,348,085,341	₱2,472,294	₱2,350,557,635	₱4,886,090,264	₱7,236,647,899

The carrying amount of the Parent Company's asset retirement obligation (ARO) pertaining to mine rehabilitation assets amounted to nil as at December 31, 2024 and 2023.

As at December 31, 2024 and 2023, the carrying amount of ISRI's ARO amounted to ₱2.47 million.

11. **Deferred Exploration Costs**

	2024	2023
Balances at beginning of year	**₱6,934,448,200**	₱2,570,954,719
Additions	**355,236,101**	4,363,493,481
Transfers (Note 8)	**–**	–
	7,289,636,781	6,934,448,200
Less allowance for impairment losses	**611,953,880**	609,062,618
	₱6,677,730,421	₱6,325,385,582

Deferred exploration costs consist of expenditures related to the exploration activities covered by the Group's mining tenements. Additions to deferred exploration costs include those incurred on service contracts for the exploration of the mines, drilling activities, and other direct costs related to exploration activities. The recovery of these costs depends upon the success of the exploration activities, the future development of the corresponding mining properties and the extraction of mineral products as these properties shift into commercial operations.

Mining Rights
In 2023, additions to deferred exploration costs include the fair value of mining rights over North Davao Project amounting to ₱3.97 billion to which the Group has interest through the acquisition of AAMRC's 100% equity interest (see Note 1). The fair value of the mining rights is determined using market approach based on yardstick and area-based multiples as valuation bases.

The Gori Hills project located in the Republic of Sierra Leone in West Africa is owned through MOMCL which holds the tenements for the project. In 2021, it received a notice that its tenement license was revoked by the National Mineral Agency. In 2021, BMRC tenement applications were adversely affected by the freeze on issuance of new mining licenses by the Philippine government. The Group recognized an allowance for impairment losses on deferred exploration costs amounting to ₱2.89 million, ₱30.31 million and nil in 2024, 2023 and 2022, respectively (Note 23).

12. **Intangible Assets**

		2024	
	Franchise	**Computer Software**	**Total**
Cost:			
Balances at beginning of year	**₱192,202,964**	**₱87,420,967**	**₱279,623,931**
Additions	**–**	**11,018,473**	**11,018,473**
Balances at end of year	**192,202,964**	**98,439,440**	**290,642,404**
Accumulated amortization:			
Balances at beginning of year	**–**	**71,402,360**	**71,402,360**
Amortization (Note 24)	**–**	**17,407,879**	**17,407,879**
Balances at end of year	**–**	**88,810,239**	**88,810,239**
Allowance for impairment:			
Balances at beginning and end of year	**192,202,964**	**–**	**192,202,964**
Net book values	**₱–**	**₱9,629,201**	**₱9,629,201**

		2023	
	Franchise	Computer Software	Total
Cost:			
Balances at beginning of year	₱192,202,964	₱83,536,303	₱275,739,267
Additions	–	3,884,664	3,884,664
Balances at end of year	192,202,964	87,420,967	279,623,931
Accumulated amortization:			
Balances at beginning of year	–	61,649,465	61,649,465
Amortization (Note 24)	–	9,752,895	9,752,895
Balances at end of year	–	71,402,360	71,402,360
Allowance for impairment:			
Balances at the beginning and end of year	192,202,964	–	192,202,964
Net book values	₱–	₱16,018,607	₱16,018,607

Franchise pertains to ICSI's cost of franchise for the implementation of the Solid Waste Management Project under a BOT contract with DENR. As at December 31, 2024, the BOT contract with the Philippine government is not yet implemented (see Note 1). In 2021, the Group deemed it prudent to provide for the impairment of this asset.

Computer software includes workbooks used for exploration activities and accounting process of the Group.

13. Other Noncurrent Assets

	2024	2023
Advances for royalties (Note 1)	**₱1,736,565,557**	₱1,680,230,557
Input VAT	**1,656,483,822**	1,442,439,169
Advance to Gold Mines of Uganda Ltd. (GMU)	**112,129,250**	112,150,750
Advances for land acquisition	**93,530,149**	93,530,149
Nontrade receivable	**75,517,940**	75,517,940
Deposits	**75,336,074**	75,271,294
MRF	**28,298,187**	28,539,254
Others	**1,758,754**	2,191,668
	3,779,619,733	3,509,870,781
Less allowance for impairment losses	**689,590,869**	465,335,177
	₱3,090,028,864	₱3,044,535,604

Advances for Royalties
In relation to the SPA in Note 1, in December 2022 the Parent Company advanced US$5.50 million or ₱299.47 million to the Sellers representing the first tranche payment of the US$81.50 million acquisition cost and US$28.50 million or ₱1.68 billion to AAMRC representing initial commitment fee which was eventually paid to PMDC in 2023. As at December 31, 2022, the advances to AAMRC and Sellers amounted to ₱1.68 billion and ₱299.47 million, respectively.

On February 29, 2024, the Parent Company made additional advance payment to AAMRC amounting to $1.00 million or ₱56.10 million related to the royalty fee under JOA and credited against the future royalty fees due to PMDC.

As at December 31, 2024, advances for royalty to PMDC amounted to ₱1.74 billion.

Advance royalties paid to Precious Metals Mining and Development Corporation and VTN-Agno River Gold Mining Inc. amounting to ₱2.08 million as at December 31, 2024 and 2023 arose due to the agreement entered into by BMRC which required the latter to pay in advance the royalties for the Paracale Gold Project.

Input VAT
Input VAT represents VAT imposed on the Group by its suppliers for the acquisition of goods and services, which the Group applies for cash refund by regulatory agencies. The Group recognized impairment loss on input VAT amounting to ₱112.13 million, ₱153.19 million and nil in 2024, 2023 and 2022, respectively (Note 23).

Advance to GMU
Advance to GMU pertains to US$2.03 million noninterest-bearing advances to cover exploration activities of GMU. As of December 31, 2024, no significant update and progress were noted in the project. The Group recognized impairment loss on advances to GMU amounting to ₱112.12 million, nil and nil in 2024, 2023 and 2022, respectively (Note 23).

Advance for Land Acquisition
Advances for the land acquisition consists of advance payments made to various landowners aggregating for the purchase of land to be used in the Group's project to construct and operate a sanitary landfill in relation to BOT contract with the Philippine government, which is not yet implemented. Hence, these advances were impaired. Impairment loss related to advances for land acquisition amounting to nil, nil and nil was recognized in 2024, 2023 and 2022, respectively (see Note 23).

MRF
As at December 31, 2024 and 2023, the Group maintains MRFs consisting of monitoring trust, rehabilitation cash, environmental trust and final rehabilitation and decommission funds as provided in its agreements entered into with the provincial government and the Mines and Geosciences Bureau (MGB). The funds are restricted for withdrawal unless approved by MGB. The funds are only to be used for the physical and social rehabilitation, reforestation and restoration of areas and communities affected by mining activities, pollution control, slope stabilization, and integrated community development projects.

Nontrade receivable
Nontrade receivable refers to the advances to stockholders with minority interest. The Group recognized impairment loss on nontrade receivables amounting to nil and ₱75.52 million in 2024 and 2023, respectively (see Note 23).

Others
Others pertain to deposits made by the Group to non-bank entities including service professionals.

14. Trade and Other Payables

	2024	2023
Trade	**₱1,139,592,665**	₱917,214,581
Nontrade	**323,907,205**	315,397,521
Accrued expenses	**188,960,079**	192,886,909
Accrued employee benefits	**110,371,387**	106,454,707
Payables to government agencies	**107,565,562**	89,480,965
Dividends payable (Note 19)	**59,437,064**	50,627,881
Retention payable	**13,279,920**	12,081,262
Others	**88,741,788**	84,056,973
	₱2,031,855,670	₱1,768,200,799

Trade payables, accrued liabilities, and other payables are noninterest-bearing. Trade payables are payable on demand while accrued liabilities are generally settled in 30 to 60 days terms.

Nontrade payables include payables for royalties and surface rights to the indigenous people in the Parent Company's Maco mine tenements (see Note 30) and other payables that are incurred outside the Group's operations.

Accrued expenses include billings for hired services, project suppliers, professional fees, utilities, and other expenses related to operations.

Accrued employee benefits pertain to accrued leave and other benefits that are monetized to employees, and unclaimed salaries and wages.

Payables to government agencies include accruals for excise taxes due from the Parent Company's Maco mine operations.

Retention payable pertain to withheld amounts from billings for services availed or product purchases pending the completion of certain specified conditions.

Dividends payable refers to dividends declared but not yet paid/claimed by the stockholders (see Note 19).

Other payables pertain to short-term cash advances by the Group necessary to support its operations, and the initial payment made by Nido in relation to the sale and purchase agreement of certain tangible items of SC72 (see Note 8).

15. **Related Party Disclosures**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by, or are under common control with the Group, including holding companies and subsidiaries, are related parties of the Group. Associates and individuals owning, directly or indirectly, voting power that gives them significant influence over the Group, its key management personnel, directors and officers, and key management personnel. Close members of the family of these individuals, and companies associated with these individuals, also constitute related parties. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Transactions with related parties in the normal course of business as follows:

Category	Relationship	Year	Volume/ Amount	**Outstanding balance**	Terms	Conditions
Cash advances to:						
MORE Coal	With common stockholders	**2024**	**₱–**	**₱1,186,593**	Due and demandable	Unsecured, cash-settled
		2023	₱–	₱1,186,593		
MORE Oil & Gas	With common stockholders	**2024**	**–**	**603,126**	Due and demandable	Unsecured, cash-settled
		2023	–	603,126		
MORE Reedbank	With common stockholders	**2024**	**–**	**514,390**	Due and demandable	Unsecured, cash-settled
		2023	–	514,390		
		2024	**₱–**	**₱2,304,109**		
		2023	₱–	₱2,304,109		

Category	Relationship	Year	Volume/ Amount	Outstanding Balance	Terms	Conditions
Cash advances from:						
PSHI	Parent	**2024**	**₱–**	**₱374,858,016**	Due and demandable	Unsecured,
		2023	₱–	₱916,012,000		not guaranteed

a. Advances to related parties pertain to funds obtained for its working capital requirements.

b. Advances from PSHI pertain to advances obtained by the Parent Company and MORE for its working capital requirements.

c. Material related party transactions refer to any related party transaction/s, either individually or in aggregate over a 12-month period with the same related party, amounting to 10% or higher of the Group's total consolidated assets based on its latest audited financial statements.

Trustee Bank
The Group's retirement fund pertains only to the Parent Company's retirement fund that is being held by a trustee bank. The carrying amounts and carrying amounts of the Parent Company's retirement fund amounted to ₱16.85 million and ₱16.07 million as at December 31, 2024 and 2023, respectively (see Note 16).

The Group's Multiemployer Retirement Plan is a noncontributory defined benefit plan covering all regular and permanent employees. Benefits are based on the employee's final plan salary and years of service.

The fund is administered by a trustee bank under the supervision of the Retirement Committee of the plan. The Retirement Committee is responsible for investment strategy of the plan.

As at December 31, 2024 and 2023, the retirement fund consists of investments in government bonds, cash and short-term deposits, equity instruments and others which accounts for 95.11% and 94.74%, 4.51% and 4.60%, and 0.38% and 0.66%, respectively, of its composition. The Parent Company made no contributions to the fund in 2024 and 2023 (see Note 16). There were no transactions made between the Parent Company and the retirement fund in both years.

Compensation of Key Management Personnel
The Group considers all employees holding executive positions up to the Chairman of the Board as key management personnel. There were no stock options granted to the key management personnel in 2024, 2023 and 2022. Other long-term benefits granted to key management personnel amounting to ₱17.2 million and ₱16.9 million in 2024 and 2023, respectively. The Group paid salaries and other short-term benefits to key management personnel amounting to ₱94.01 million, ₱89.7 million, and ₱88.82 million in 2024, 2023 and 2022, respectively.

16. Provision for Retirement Benefits

The Group's retirement fund pertains to the Parent Company which has a multi-employer retirement plan, a funded, noncontributory defined benefit retirement plan. It accounts for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan.

The following tables summarize the components of retirement benefits costs and liability recognized in the Parent Company's statements of comprehensive income and Parent Company's statements of financial position, respectively.

The details of retirement benefits costs follow:

	2024	2023	2022
Current service cost (Note 25)	**₱49,216,300**	₱72,293,134	₱50,311,628
Interest cost - net (Note 26)	**21,458,660**	21,622,265	13,851,257
	₱70,674,960	₱93,915,399	₱64,162,885

Changes in defined benefits liability and fair value of plan assets in 2024 and 2023 are as follows:

2024	**Defined benefits liability**	**Fair value of plan assets**	**Net defined benefit liability**
At January 1	**₱421,201,516**	**₱16,072,920**	**₱405,128,596**
Net interest (Note 26)	**23,670,453**	**2,211,793**	**21,458,660**
Current service cost (Note 25)	**49,216,300**	**–**	**49,216,300**
Benefits paid	**(25,461,851)**	**–**	**(25,461,851)**
Net acquired/(released) obligation due to employee transfers	**–**	**–**	**–**
Remeasurement of actuarial losses (gains):			
Experience	**(₱17,177,711)**	**₱–**	**(₱17,177,711)**
Changes in demographic assumptions	**–**	**–**	**–**
Changes in financial assumptions	**583,655**	**–**	**583,655**
Remeasurement loss - return on plan assets	**–**	**(1,439,545)**	**1,439,545**
	(16,594,056)	**(1,439,545)**	**(15,154,511)**
At December 31	**₱452,032,362**	**₱16,845,168**	**₱435,187,194**

2023	Defined benefits liability	Fair value of plan assets	Net defined benefit liability
At January 1	₱318,380,001	₱15,058,607	₱303,321,394
Net interest (Note 26)	23,611,325	1,989,060	21,622,265
Current service cost (Note 25)	72,293,134	–	72,293,134
Benefits paid	(45,363,018)	–	(45,363,018)
Net acquired/(released) obligation due to employee transfers	147,078	–	147,078
Remeasurement of actuarial losses (gains):			
Experience	₱19,105,654	₱–	₱19,105,654
Changes in demographic assumptions	(7,097,351)	–	(7,097,351)
Changes in financial assumptions	40,124,693	–	40,124,693
Remeasurement loss - return on plan assets	–	(974,747)	974,747
	52,132,996	(974,747)	53,107,743
At December 31	₱421,201,516	₱16,072,920	₱405,128,596

Changes in defined benefits cost recognized in OCI in 2024 and 2023 are as follows:

	2024	2023
At January 1	**₱17,496,385**	₱57,113,285
Actuarial gain (loss) - defined benefit obligation	**16,594,056**	(44,684,390)
Remeasurement gain - plan asset	**(1,439,545)**	(8,423,352)
Income tax effect	**(3,609,986)**	13,490,843
At December 31	**₱29,040,910**	₱17,496,386

The major categories of the Parent Company's plan assets as a percentage of the fair value of total plan assets are as follows:

	2024	2023
Cash and short-term deposits	**95.11%**	94.74%
Debt instruments - government bonds	**4.51%**	4.60%
Others	**0.38%**	0.66%
	100.00%	100.00%

The cost of defined retirement benefits plan, as well as the present value of the retirement benefits liability are determined using actuarial valuations. The actuarial valuation involves making various assumptions.

The principal assumptions used in determining retirement benefits liability for the defined retirement plan are shown below:

	2024	2023
Discount rate	**6.10%**	6.13%
Salary increase rate	**5.00%**	5.00%
Expected average remaining life	**11.0**	12.0
Mortality rate	**2017 PICM**	2017 PICM
Disability rate	**The Disability Study, Period 2 Benefit 5**	The Disability Study, Period 2 Benefit 5

The sensitivity analyses based on reasonably possible changes in significant assumptions used in determining the retirement benefits liability as at the end of the reporting period, assuming all other assumptions were held constant, are shown below:

	Increase (decrease)	**2024**
Discount rates	**7.10%**	**(₱18,854,421)**
	(5.10%)	**₱22,103,815**

	Increase (decrease)	2023
Discount rates	7.13%	(₱17,686,614)
	(5.13%)	₱20,756,654

	Increase (decrease)	**2024**
Salary increase rate	**6.00%**	**₱23,245,985**
	(4.00%)	**(₱20,145,818)**

	Increase (decrease)	2023
Salary increase rate	6.00%	₱21,161,765
	(4.00%)	(₱18,336,132)

The latest available actuarial valuation report of the Parent Company was dated March 14, 2025 representing information as at December 31, 2024.

The maturities of the undiscounted benefit payments as at December 31, 2024 and 2023 are shown below:

	2024	2023
Less than one (1) year	**₱73,189,433**	₱66,892,004
More than one (1) to five (5) years	**148,883,397**	143,935,287
More than five (5) to 10 years	**695,918,892**	561,735,866
	₱917,991,722	₱772,563,157

17. **Provision for Mine Rehabilitation and Decommissioning**

The Parent Company and ISRI's full provision for the future costs of rehabilitating the Maco and Sangilo mines are as follows:

	2024	2023
Balance at beginning of year	**₱19,196,681**	₱18,509,231
Accretion (Note 26)	**721,709**	687,450
Effect of change in estimate (Note 10)	**912,476**	–
Balance at end of year	**₱20,830,866**	₱19,196,681

The Parent Company's FMRDP on its existing MPSAs was approved by the MGB on March 13, 2017 and revised FMRDP was approved on April 20, 2021. The revised FMRDP incorporated the latest ore reserves estimate which indicates that the mine life was extended from three (3) to 10 years. These provisions have been created based on the Parent Company's internal estimates. Assumptions based on the current economic environment have been made, which management believes are reasonable bases upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions.

Actual costs will, however, ultimately depend upon future market prices for the necessary works required which will reflect market conditions at the relevant time. Furthermore, the timing of the rehabilitation and expenditure of other costs is likely to depend on when the mine ceases to produce at economically viable rates, and the timing that the event for which the other provisions provided for will occur. Discount rate as of December 31, 2024 and 2023 is 4.98%.

As at December 31, 2024 and 2023, ISRI's provision for mine rehabilitation and decommissioning amounted to ₱5.63 million and ₱4.72 million, respectively, representing the present value of rehabilitation costs relating to the Sangilo mine, which is expected to be incurred up to 2039. Effect of change in estimate in 2024 resulted to an increase in provision for mine rehabilitation and decommissioning (see Note 10).

18. Loans Payable

	2024	2023
Philippine National Bank (PNB)	**₱3,187,592,011**	₱2,008,119,181
Bank of Commerce (BOC)	**1,966,730,000**	1,882,580,000
Rizal Commercial Banking Corporation (RCBC)	**1,500,000,000**	900,000,000
Union Bank of the Philippines (UBP)	**575,002,438**	434,324,495
	7,229,324,449	5,225,023,676
Less current portion	**2,618,354,384**	4,083,966,092
Noncurrent portion	**₱4,610,970,065**	₱1,141,057,584

PNB
PNB has granted the Parent Company and ISRI the following facilities:

- On November 26, 2016, Credit Facilities consisting of Letters of Credit, Trust Receipts (TR) and Settlement Risk Lines totaling ₱500.00 million expiring on July 31, 2017. PNB granted renewal of the Credit Facilities to ₱2.00 billion with a new expiry date of July 31, 2025.

  As at December 31, 2024 and 2023, the Parent Company has no outstanding unsecured TRs for its importation of machinery and equipment using the standard credit terms with PNB of 180 days.

  In May 2019, ISRI was granted various credit facilities by PNB, including an Omnibus Line with a principal amount of ₱200 million and a Counterparty Line (FX Line), which consisted of a ₱2 million Pre-settlement Risk Line and a ₱100 million Settlement Risk Line. On October 11, 2024, the Omnibus Line was increased to ₱500 million with a new expiration date of July 31, 2025.

  ISRI has outstanding unsecured TRs amounting to ₱180.70 million and ₱158.88 million for its importation of machinery and equipment using the standard credit terms with PNB of 180 days as at as at December 31, 2024 and 2023, respectively.

- On October 24, 2017, another unsecured Term Loan Facility of up to ₱2.50 billion with tenor of seven (7) years with equal quarterly principal repayment was obtained to refinance the Parent Company's short-term loans.

  The Loan Agreement for this Term Loan Facility was signed by the parties on December 4, 2017, and on December 15, 2017, the Parent Company drew the full amount with the interest rate set at 6.00% per annum. As part of its affirmative covenants, the Parent Company used the proceeds to pay off the obligations with BDO Unibank, Inc. and to finance the construction of the three (3) kilometer drainage system in Maco Mine. In addition, the Parent Company at all times must maintain a consolidated Debt Service Coverage Ratio (DSCR), of at least 1.2x and a consolidated Debt-to-Equity Ratio (DER) of 70:30.

On December 31, 2023, the Parent Company has an outstanding unsecured promissory note equivalent to ₱446.43 million. Upon maturity on December 15, 2024, the Parent Company has fully paid this Term Loan Facility.

As at December 31, 2024 and 2023, all loan covenants are complied with.

- On September 13, 2019, another unsecured Term Loan Facility of up to ₱2.00 billion with tenor of eight (8) years with equal quarterly principal repayment was obtained to finance the Parent Company's capital expenditures.

  On September 26 and December 12, 2019, the Parent Company drew the first and second tranches, respectively, amounting to ₱500.00 million each with the interest rate of 6.5% per annum which will both mature on September 12, 2027. The third and fourth tranches were fully drawn in May and June 2020, respectively, amounting to ₱500.00 million each with the same interest rate.

  The Parent Company has to use the proceeds of the loan exclusively for capital expenditures and must maintain at all times a consolidated DSCR of at least 1.2x and a consolidated DER of 70:30 at all times until payment in full of all amounts due to PNB.

  The Parent Company has an outstanding unsecured promissory note equivalent to ₱766.1 million and ₱1.03 billion as at December 31, 2024 and 2023, respectively.

  As at December 31, 2024 and 2023, all loan covenants are complied with.

- On November 23, 2018, PNB granted ISRI a Term Loan Facility of up to ₱550.00 million with tenor of five (5) years with equal quarterly principal repayment to finance ISRI's 200-tonne per day development program.

  The Loan Agreement for this facility was signed by the parties on November 23, 2018, and on November 27, 2018, ISRI drew the initial amount of ₱300.00 million with the interest rate set at 9.75% per annum. The second drawdown amounting to ₱125.00 million with the interest rate set at 8.26% per annum was made on May 31, 2019. On September 12, 2019, ISRI drew the remaining ₱125.00 million with the interest rate set at 6.94% per annum. Principal repayment started on July 27, 2020 and every quarter thereafter up to October 27, 2023. Included within the agreement signed by ISRI, are the affirmative covenants to use the proceeds of the loans exclusively for capital expenditures and general corporate requirements, to maintain consolidated DSCR of 1.2x starting on the first quarter after one (1) year from commercial operations date and every quarter thereafter and at all times maintain a consolidated DER of not more than 70:30.

  The loan was fully paid upon its maturity on October 27, 2023.

  As at December 31, 2024 and 2023, all loan covenants are complied with.

- In May 2022, the Philippine National Bank granted ISRI an unsecured term loan facility of up to ₱500.00 million to finance Sangilo mine's 400 TPD development program.

  The ₱500.00 million term loan facility is repayable in equal quarterly installments over five (5) years, with interest based on the 5-year Business Valuator Accredited for Litigation (BVAL) as displayed on the PDEX page, plus a minimum spread of 2% per annum, reckoned from the date of the relevant drawdown.

The Loan Agreement for this facility was signed by the parties on May 24, 2022, and on June 28, 2022, ISRI drew the total amount of ₱500.00 million with the interest rate set at 8.52% per annum. Principal repayment will start on October 27, 2022, and every quarter thereafter up to June 28, 2027. Included within the agreement signed by ISRI, are the affirmative covenants to use the proceeds of the loans exclusively for capital expenditures and general corporate requirements, to maintain consolidated DSCR of 1.2x starting on the first quarter after one (1) year from commercial operations date and every quarter thereafter and at all times maintain a consolidated DER of not more than 70:30.

ISRI has an outstanding unsecured promissory note equivalent to ₱275.00 and ₱375.00 million as at December 31, 2024 and 2023, respectively.

As at December 31, 2024 and 2023, all loan covenants are complied with.

- On December 18, 2024, the Parent Company entered into a $108 million Omnibus Loan and Security Agreement (OLSA) with PNB and BOC. This term loan will convert the existing short-term borrowings with the BOC into a long-term loan and provide funding for the remaining installments of the 100% share acquisition of AAMRC. The OLSA will be drawn in three annual tranches through 2026 and repaid quarterly over five years from the drawdown dates. The loan is secured by AAMRC's shares. The Parent Company is required to consistently maintain a consolidated Debt Service Coverage Ratio (DSCR) of no less than 1.2x and a consolidated Debt-to-Equity Ratio (DER) of 70:30. On December 20, 2024, the Parent Company drew the initial amount of $34 million each from PNB and BOC.

  As at December 31, 2024, all loan covenants are complied with.

BOC
As at December 31, 2024, the Parent Company has outstanding secured promissory notes amounting to $34.00 million or ₱2.00 billion with maturity date on December 20, 2029, carrying an interest rate of 9.51% per annum, related to OLSA. As at December 31, 2023, the Parent Company has outstanding unsecured promissory notes amounting to $34.00 million or ₱1.88 billion with maturity date on February 26, 2024, carrying an interest rate of 9.84% per annum.

On February 7, 2024, the Parent Company entered into a short-term loan agreement with BOC for $19.00 million, bearing an interest rate of 9.80% per annum, with a maturity date of June 6, 2024. Upon maturity, the Parent Company made a payment of $1.00 million and rolled over the remaining balance of $18.00 million, which subsequently matured on September 4, 2024. On that date, the Company paid an additional $1.00 million and rolled over the outstanding balance of $17.00 million, which matured on December 3, 2024.

On February 26, 2024, the Parent Company was granted an extension on its unsecured promissory note for $34.00 million, with an interest rate of 9.80% per annum, originally maturing on June 25, 2024. Upon maturity, the Company made a payment of $1.7 million and rolled over the remaining balance of $32.3 million, which matured on September 23, 2024. On that date, the Company made an additional payment of $1.7 million and rolled over the outstanding balance of $30.6 million, which matured on December 20, 2024.

Both the ₱17.00 million and ₱30.60 million interest-bearing short-term loans were fully paid upon receipt of funds from the OLSA on December 20, 2024.

RCBC
As at December 31, 2024, the Parent Company has outstanding unsecured promissory notes amounting to ₱900.00 million and ₱600 million with maturity date on February 25, 2025 and May 27,2025, respectively, carrying an interest rate of 7.15% per annum for both promissory note. While as at December 31, 2023, ₱900.00 million unsecured promissory notes carrying an interest rate of 7.15% per annum matured on March 2, 2024.

On November 28, 2024, the Parent Company obtained a 7.15% interest-bearing short-term loan from RCBC amounting to ₱600 million maturing on May 27, 2025.

On March 1, 2025, the Parent Company was granted to rollover its unsecured promissory note for ₱600.0 million maturing on August 29, 2025, bearing an interest rate of 7.15% per annum after paying ₱300.0 million.

UBP
On February 8, 2024, the Parent Company was granted to rollover its unsecured promissory note for US$5.54 million maturing on August 6, 2024 bearing an interest rate of 6.88%.

As at December 31, 2024, the Parent Company has outstanding US$5.54 million and US$4.4 million unsecured promissory notes equivalent to ₱575.0 million with maturity date of February 9 and May 26, 2025, respectively, bearing the interest rate of 6.25% per annum for both promissory note.

The Group's availment and payment of loans as at December 31, 2024 and 2023 are as follows:

	2024		2023	
	Availment	**Payment**	Availment	Payment
PNB	**₱1,966,730,000**	**₱809,076,883**	₱–	₱860,640,921
BOC	**3,037,095,000**	**2,840,221,882**	–	–
RCBC	**600,000,000**	**–**	–	–
UBP	**254,518,000**	**130,606,808**	–	101,516,700
	₱5,858,343,000	**₱3,779,905,573**	₱–	₱962,157,621

Interest expenses incurred in 2024 and 2023 in relation to the availed loans are as follows:

	2024	2023
PNB	**₱103,590,955**	₱170,284,804
BOC	**263,866,817**	193,731,451
RCBC	**30,627,610**	61,200,000
UBP	**73,168,333**	32,350,118
Subtotal	**471,253,715**	457,566,373
Capitalized borrowing costs (Note 10)	**(77,593,831)**	(111,952,931)
Interest on loans payable (Note 26)	**₱393,659,884**	₱345,613,442

The Group capitalized borrowing costs related to construction in-progress and mine development cost amounting to ₱77.59 and ₱111.95 million in 2024 and 2023, respectively. The rate used by the Parent to determine the amount of borrowing costs eligible for capitalization was 6.51% and 6.50% in 2024 and 2023, respectively. The rate used by ISRI was 8.66% and 8.56% in 2024 and 2023 (see Note 10).

19. **Equity**

Capital stock
The Parent Company has authorized capital stock of ₱12.80 billion, divided into a single class of common shares, with a par value of ₱1.00 per share as at December 31, 2024 and 2023.

Record of Registration of Securities with the SEC
On March 7, 1974, the Parent Company listed its shares in the Philippine Stock Exchange (PSE) and attained the status of being a public company on the same date. The Parent Company is considered a public company under Rule 3.1 of the Implementing Rules and Regulations of the Securities Regulation Code, which, among others, defines a public corporation as any corporation with assets of at least ₱50.00 million and having 200 or more stockholders, each of which holds at least 100 shares of its equity securities.

In accordance with Revised SRC Rule 68, Annex 68-K, below is a summary of a Parent Company's track record of registration of securities:

SEC ordered rendered effective or permitted to sell	Event	Authorized capital stock balance	Issued shares	Issue/offer price
August 4, 1988	Stock dividend declaration	₱150 million	*–	₱0.01
August 31, 1988	Increase in authorized capital stock	300 million	–	–
April 26, 1989	Pre-emptive rights offering	300 million	9.39 million	0.01
June 28, 2000	Increase in authorized capital stock	800 million	–	–
October 18, 2000	Debt-to-equity conversion transaction	800 million	459.54 million	1.00
September 10, 2010	Increase in authorized capital stock	2.8 billion	–	–
October 13, 2010	Debt-to-equity conversion transaction	2.8 billion	560.94 million	1.00
November 14, 2011	Issuance of additional shares	2.8 billion	73.34 million	3.50
January 26, 2012	Issuance of additional shares	2.8 billion	75.56 million	3.70
July 13, 2012	Issuance of additional shares	2.8 billion	198.05 million	4.40
July 16, 2012	Debt-to-equity conversion transaction	2.8 billion	72.91 million	4.40
July 20, 2012	Debt-to-equity conversion transaction	2.8 billion	37.29 million	4.40
August 27, 2013	Issuance of additional shares	2.8 billion	93.87 million	2.79
September 20, 2012	Declassification of shares	2.8 billion	–	–
January 12, 2015	Increase in authorized capital stock	12.8 billion	–	–
February 3, 2015	Issuance of additional shares	12.8 billion	2.50 billion	1.00
March 12, 2015	Issuance of additional shares	12.8 billion	1.86 billion	1.00

**The Company has no records on the number of issued shares for the transaction.*

As at December 31, 2024, and 2023, the Parent Company has 2,744, and 2,744 stockholders, respectively.

Issue	Number of shares registered	Issue/offer price	Date of SEC approval	Number of holders of securities as at December 31		
				2024	2023	2022
Common shares	12,800,000,000	₱1.00 par value	January 12, 2015	**2,744**	2,744	2,745

Movements in the subscribed, issued and outstanding capital were as follows:

	2024		2023	
	Shares	**Amount**	Shares	Amount
Issued and subscribed shares at beginning and end of year	**6,227,887,491**	**₱6,227,887,491**	6,227,887,491	₱6,227,887,491
Treasury shares	**(555,132,448)**	**(2,081,746,680)**	(555,132,448)	(2,081,746,680)
Outstanding shares at end of year	**5,672,755,043**	**₱4,146,140,811**	5,672,755,043	₱4,146,140,811

APIC
There were no movements in APIC. As at December 31, 2024 and 2023, APIC amounted to ₱634,224.

Retained earnings
Movements in the retained earnings are as follows:

	2024	2023
Balance at beginning of year	**₱10,598,965,205**	₱7,464,658,813
Net income attributable to the equity holders of the Parent Company	**4,325,133,410**	3,408,994,699
Dividends	**(461,949,380)**	(310,035,402)
Realization of revaluation surplus (Note 10)	**24,578,857**	35,347,094
Balance at end of year	**₱14,486,728,092**	₱10,598,965,204

*Dividend*s
On April 28, 2023, the Parent Company declared a regular cash dividend amounting to ₱310.04 million equivalent to ₱0.053621 per common share. From the cash dividend declared, ₱264.99 million was paid on June 5, 2023 to stockholders of record holding shares of common stock at the close of business on May 15, 2023. Dividend payable as of December 31, 2023 amounted to ₱50.63 million (see Note 14).

On April 15, 2024, the Parent Company declared regular and special cash dividends amounting to ₱507.16 million equivalent to ₱0.054155 and ₱0.027278 per common share, respectively. From the cash dividends declared, ₱447.72 million was paid on May 15, 2024 to stockholders of record holding shares of common stock at the close of business on April 30, 2024. Dividend payable as of December 31, 2024 amounted to ₱59.44 million (see Note 14).

NCI
NCI consists of the following:

	2024	2023
NCI on net assets of:		
ICSI	**₱27,553,816**	₱27,626,067
Minas	**(22,133,536)**	(22,133,536)
MMSL	**(3,588,780)**	(3,196,975)
MOMCL	**(9,481,953)**	(9,471,126)
	(₱7,650,453)	(₱7,175,570)

The summarized financial information of ICSI (material NCI) is provided below:

Statements of comprehensive loss for the years ended December 31, 2024 and 2023:

	2024	2023
General and administrative expenses	**₱150,524**	₱228,296
Other charges	**–**	75,517,940
Loss before tax	**150,524**	75,746,236
Provision for income tax	**–**	–
Net loss	**₱150,524**	₱75,746,236
Attributable to:		
Equity holders of the Parent Company	**₱78,272**	₱39,388,042
Non-controlling interests	**72,252**	36,358,194

Statements of financial position as at December 31, 2024 and 2023:

	2024	2023
Current assets	**₱58,735,550**	₱58,735,550
Noncurrent assets	**–**	–
Current liabilities	**(1,698,300)**	(1,547,776)
Noncurrent liabilities	**–**	–
Total equity	**₱57,037,250**	₱57,187,774
Attributable to:		
Equity holders of the Parent Company	**₱29,659,370**	₱29,737,642
Non-controlling interests	**27,377,880**	27,450,132

20. **Basic/Diluted Earnings Per Share**

Basic earnings per share is calculated by dividing the net earnings attributable to stockholders of the Parent Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Parent Company and held as treasury shares.

Estimation of earnings per share for the years ended December 31, 2024, 2023 and 2022 when there were no potentially dilutive common shares during the respective periods are as follows:

	2024	2023	2022
Net income attributable to the equity holders of the Parent Company	**₱4,325,133,410**	₱3,408,994,699	₱3,341,547,056
Weighted average number of common shares for basic and diluted earnings per share	**5,672,755,043**	5,672,755,043	5,672,755,043
Basic and diluted earnings per share	**₱0.76**	₱0.60	₱0.59

21. Cost of Production

Consolidated costs of production pertaining to the Parent Company and ISRI's cost of production are as follows:

	2024	2023	2022
Materials and supplies (Note 6)	**₱2,976,134,090**	₱2,355,707,391	₱1,943,164,992
Depreciation, depletion and amortization (Note 24)	**1,423,508,248**	1,291,801,763	1,359,247,975
Personnel costs (Note 25)	**1,105,713,070**	938,001,571	778,129,759
Contracted services	**629,013,457**	470,526,778	366,790,796
Utilities	**617,554,869**	509,534,745	362,095,990
Taxes, permits, and licenses	**184,925,370**	160,770,465	115,085,283
Community development expenses	**166,169,593**	115,486,916	71,382,088
Surface rights to indigenous people (IP) (Note 30)	**134,436,609**	104,868,172	93,814,724
Bullion refining and transportation charges	**94,631,487**	94,615,041	93,055,419
Royalties to IP (Note 30)	**63,088,308**	48,332,964	44,903,380
Repairs and maintenance	**57,472,207**	112,764,749	62,419,287
Insurance	**57,159,915**	50,123,097	64,662,541
Data and communication	**36,066,895**	26,175,620	37,998,928
Employee activities	**13,217,993**	12,621,621	7,808,151
Professional fees	**12,663,553**	17,283,971	13,749,932
Transportation and accommodation	**12,432,811**	10,224,256	4,653,018
Representation and entertainment	**6,294,276**	1,359,998	1,106,991
Donations and contributions	**4,614,695**	7,806,024	3,294,313
Rent (Note 30)	**4,563,596**	20,909,338	8,854,498
	₱7,599,661,042	₱6,348,914,480	₱5,432,218,065

The amounts were distributed as follows:

	2024	2023	2022
Mining	**₱2,717,992,194**	₱2,801,995,377	₱2,480,089,638
Milling	**1,263,124,139**	920,982,854	1,378,179,107
Compliance	**844,498,144**	534,036,195	677,589,837
Mine overhead	**2,774,046,565**	2,091,900,054	896,359,483
	₱7,599,661,042	₱6,348,914,480	₱5,432,218,065

22. General and Administrative Expenses

	2024	2023	2022
Taxes, licenses and permits	**₱128,203,824**	₱23,743,186	₱33,151,771
Personnel costs (Note 25)	**121,978,286**	69,023,510	84,214,714
Professional fees	**65,936,176**	49,580,411	38,505,412
Contracted services	**36,597,618**	20,837,880	5,394,092
Employee activities	**34,511,608**	35,236,470	14,450,649
Materials and supplies (Note 6)	**26,555,853**	5,669,853	6,757,968
Depreciation and amortization (Note 24)	**13,698,474**	13,621,659	7,959,209
Rent (Note 30)	**8,145,208**	5,609,351	6,364,596
Repairs and maintenance	**4,847,784**	6,560,829	1,558,371
Insurance	**4,072,324**	1,007,691	1,687,761
Utilities	**3,934,902**	4,699,616	4,211,494
Representation and entertainment	**2,862,821**	2,894,060	3,508,342
Transportation and accommodation	**1,120,895**	2,795,644	7,568,973
Others	**18,873,549**	12,528,096	9,474,836
	₱471,339,322	₱253,808,256	₱224,808,188

Others pertain to community development, donations and contributions, data and communications, marketing charges, and miscellaneous expenses.

23. **Other Income (Charges)** - net

	2024	2023	2022
Foreign exchange gains (losses) - net	**(₱216,893,639)**	(₱53,203,872)	₱15,214,720
Provision for impairment losses on:			
Input VAT (Note 13)	**(112,131,442)**	(153,188,407)	−
Advances to GMU (Note 13)	**(112,124,250)**	−	−
Deferred exploration costs (Note 11)	**(2,891,262)**	(30,307,458)	−
Nontrade receivables (Note 13)	**−**	(75,517,940)	−
Provision for tax assessments	**−**	(171,414,746)	(65,997,927)
Interest income (Note 4)	**11,333,687**	14,612,809	3,221,594
Gain on sale of mining rights (Note 11)	**−**	120,084,817	−
Miscellaneous - net	**377,069**	(2,522,972)	1,941,704
	(₱432,329,837)	(₱351,457,769)	(₱45,619,909)

24. **Depreciation, Depletion and Amortization**

	2024	2023	2022
Property, plant and equipment (Note 10)	**₱1,419,798,843**	₱1,295,670,527	₱1,359,946,839
Intangible asset (Note 12)	**17,407,879**	9,752,895	7,260,345
	₱1,437,206,722	₱1,305,423,422	₱1,367,207,184

The amounts were distributed as follows:

	2024	2023	2022
Cost of production (Note 21)	**₱1,423,508,248**	₱1,291,801,763	₱1,359,247,975
General and administrative expenses (Note 22)	**13,698,474**	13,621,659	7,959,209
	₱1,437,206,722	₱1,305,423,422	₱1,367,207,184

The Group capitalized depreciation, depletion, and amortization costs amounting to ₱78.02 million and ₱128.34 million as part of mine development costs in 2024 and 2023, respectively (see Note 10).

25. **Personnel Costs**

	2024	2023	2022
Salaries and wages	**₱121,978,286**	₱459,555,839	₱474,747,043
Other employee benefits	**1,056,496,770**	475,176,108	337,285,802
Retirement benefits cost (Note 16)	**49,216,300**	72,293,134	50,311,628
	₱1,227,691,356	₱1,007,025,081	₱862,344,473

The amounts were distributed as follows:

	2024	2023	2022
Cost of production (Note 21)	**₱1,105,713,070**	₱938,001,571	₱778,129,759
General and administrative expenses (Note 22)	**121,978,286**	69,023,510	84,214,714
	₱1,227,691,356	₱1,007,025,081	₱862,344,473

26. Finance Costs

	2024	2023	2022
Interest on loans payable (Note 18)	**₱393,659,884**	₱345,613,442	₱155,335,061
Accretion of financial liability (Note 1)	**178,972,402**	191,342,327	–
Net interest cost on retirement benefits (Note 16)	**21,458,660**	21,622,265	13,851,257
Accretion of provision for mine rehabilitation and decommissioning (Note 17)	**721,709**	687,450	1,048,768
	₱594,812,655	₱559,265,484	₱170,235,086

27. Income Tax

In 2024, the Parent Company availed the option to use the optional standard deduction (OSD) as its method of deduction, as reflected in its income tax returns. On the other hand, ISRI and MORE used itemized deduction.

The Group's provision for income tax in 2024, 2023 and 2022 are presented below. Provision for current income tax in 2024, 2023 and 2022 pertain to RCIT and MCIT for each year.

	2024	2023	2022
Current	**₱1,182,258,329**	₱766,341,085	₱711,392,182
Deferred	**(65,665,279)**	(56,044,407)	(17,034,490)
	₱1,116,593,050	₱710,296,678	₱694,357,692

Reconciliation between the provision for income tax computed at the statutory income tax rate and the provision for deferred income tax as shown in the consolidated statements of comprehensive income follows:

	2024	2023	2022
Provision for income tax computed at statutory income tax rate of 25% in 2024, 2023 and 2022	**(₱1,360,312,894)**	(₱1,020,757,791)	(₱1,008,452,208)
Changes in unrecognized deferred income tax assets	**(101,815,655)**	(85,830,872)	9,864,953
Add (deduct) tax effects of:			
Optional Standard Deduction	**661,823,616**	515,756,174	456,492,633
Nondeductible expenses	**(318,537,701)**	(82,508,891)	(133,414,210)
Provision for tax losses	–	(39,970,546)	(14,220,869)
Interest income subjected to final tax	**2,224,664**	3,053,203	548,395
Expired MCIT	**24,920**	(37,955)	(156,291)
Expired NOLCO	–	–	(16,574,060)
Applied NOLCO	–	–	11,553,965
	(₱1,116,593,050)	(₱710,296,678)	(₱694,357,692)

Details of unrecognized deductible temporary differences, MCIT and NOLCO as at December 31, 2024 and 2023 are as follows:

	2024	2023
Unrealized foreign exchange losses	**₱159,302,112**	₱92,120,952
Provision for retirement benefits of a subsidiary	**39,598,865**	31,742,310
Allowance for impairment losses on:		
Deferred exploration cost	**611,906,360**	609,062,618
Property, plant and equipment	**504,138,916**	504,138,916
Input VAT	**408,418,530**	296,287,088
Intangibles	**192,202,964**	192,202,964
Inventory losses and obsolescence	**149,105,402**	47,702,461
Advances to GMU	**112,124,250**	–
Advances for land acquisition	**93,530,149**	93,530,149
Nontrade receivable	**75,517,940**	75,517,940
Receivables	**21,989,828**	21,989,828
NOLCO	**184,668,779**	181,679,891
Provision for mine rehabilitation and decommissioning cost of a subsidiary	**5,626,901**	4,916,339
MCIT	**167,618**	144,538
	₱2,558,298,614	₱2,151,035,994

The Group has recognized deferred income tax liabilities and assets as at December 31, 2024 and 2023 on the following:

	2024	2023
Deferred income tax assets:		
Provision for retirement benefits	**₱98,897,082**	₱93,346,572
Unrealized foreign exchange loss	**86,145,457**	40,223,330
Provision for mine rehabilitation and decommissioning cost	**3,800,991**	3,620,564
	188,843,530	137,190,466
Deferred income tax liabilities:		
Revaluation surplus on property, plant and equipment	**(55,366,629)**	(63,559,581)
Fair value increment on deferred exploration cost and mine and mining properties	**(46,520,370)**	(51,936,281)
Unrealized foreign exchange gain	**(35,080,697)**	(31,874,063
	(136,967,696)	(147,369,925)
Net deferred tax assets (liabilities)	**₱51,875,834**	(₱10,179,459)

The Company's NOLCO incurred before taxable year 2020 can be claimed as deductions from the regular taxable income for the next three (3) consecutive taxable years from the year incurred. On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As at December 31, 2024, the Group's NOLCO that can be claimed as deduction from future taxable income are as follows:

Year incurred	Year of expiration	NOLCO
2020	2025	₱33,892,889
2021	2026	35,373,923
2022	2025	41,451,888
2023	2026	35,354,244
2024	2027	38,595,835
		₱184,668,779

The movements of NOLCO are as follows:

	2024	2023
Balance at beginning of the year	**₱146,072,944**	₱96,343,121
Additions	**38,595,835**	85,336,770
Balance at end of the year	**₱184,668,779**	₱181,679,891

The Group's MCIT that can be claimed as deduction against future taxable liabilities as follows:

Year incurred	Year of expiration	MCIT
2022	2025	₱83,618
2023	2026	36,000
2024	2027	48,000
		₱167,618

The movements of the Group's MCIT are as follows:

	2024	2023
Balance at beginning of the year	**₱144,538**	₱146,493
Additions	**48,000**	36,000
Expirations	**(24,920)**	(37,955)
Balance at end of the year	**₱167,618**	₱144,538

The movements of the Group's NOLCO per subsidiary are as follows:

	Parent	MORE	CRPI	BMRC	ISRI	ICSI	Total
Balance at beginning of year	₱–	₱60,243,435	₱77,405,439	₱7,672,824	₱–	₱751,246	₱146,072,944
Additions	–	14,300,532	22,604,225	1,540,553	–	150,524	38,595,835
Balance at end of year	₱–	₱74,543,967	₱100,009,664	₱9,213,377	₱–	₱901,770	₱184,668,779

The movements of the Group's MCIT per subsidiary are as follows:

	Parent	MORE	CRPI	BMRC	ISRI	Total
Balance at beginning of year	₱–	₱144,538	₱–	₱–	₱–	₱144,538
Additions	–	48,000	–	–	–	48,000
Expirations	–	(24,920)	–	–	–	(24,920)
Balance at end of year	₱–	₱167,618	₱–	₱–	₱–	₱167,618

Former president Rodrigo Duterte signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It took effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Group:

- Effective July 1, 2020, RCIT rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding ₱5 million and with total assets not exceeding ₱100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%; and
- MCIT rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.
- Imposition of improperly accumulated earnings tax (IAET) is repealed.

On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the MCIT rate to 2% of gross income effective July 1, 2023 pursuant to CREATE Act.

28. Financial Risk Management Objectives and Policies, and Capital Management

Financial Risk Management Objectives and Policies

The Group's financial instruments consist mainly of cash with banks, receivables, trade and other payables, which arise directly from its operations, advances to and from stockholders and related parties, advance to GMU, nontrade receivable, MRF, financial asset at FVOCI, and loans payable. The main purpose of these financial instruments is to raise funds and maintain continuity of funding and financial flexibility for the Group.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, foreign currency risk and commodity price risk. The BOD reviews and approves policies for managing each of these risks and these are summarized below.

Credit Risk

Credit risk refers to the potential loss arising from any failure by counterparties to fulfil their obligations, as and when they fall due. It is inherent to the business as potential losses may arise due to the failure of its customers and counterparties to fulfil their obligations on maturity periods or due to adverse market conditions.

The Group has a concentration of credit risk on its trade receivables, included as part of trade and other receivables, as it has only one (1) customer purchasing its gold and silver bullion under a Sale-Purchase Contract. However, management believes that credit risk on trade receivables is not significant as the Parent Company's gold and silver bullion are considered a highly traded commodity that have readily available markets.

The maximum exposure to credit risk of the Group’s financial assets (cash with banks, cash equivalents, trade and other receivables, advances to related parties, advance to GMU, nontrade receivable, MRF, and financial asset measured at FVOCI) is equal to the carrying amounts of the financial assets, as at December 31, 2024 and 2023.

The table below shows the credit quality of the Group’s financial assets based on their historical experience with the corresponding debtors.

Credit risk under general and simplified approach

	2024				
	General Approach			**Simplified**	
	Stage 1	**Stage 2**	**Stage 3**	**Approach**	**Total**
Cash with banks and cash equivalents	**₱3,201,158,327**	**₱–**	**₱–**	**₱–**	**₱3,201,158,327**
Receivables:					**–**
Trade	**1,229,808,874**	**–**	**–**	**–**	**1,229,808,874**
Others	**28,502,862**	**–**	**21,989,828**	**–**	**50,492,690**
Advances to related parties	**2,304,109**	**–**	**–**	**–**	**2,304,109**
Other noncurrent assets:				**–**	
Advance to GMU	**–**	**–**	**112,129,250**	**–**	**112,129,250**
Nontrade receivable	**–**	**–**	**75,517,940**	**–**	**75,517,940**
MRF	**–**	**–**	**28,298,187**	**–**	**28,298,187**
Financial asset measured at FVOCI	**7,000,000**	**–**	**344,640,000**	**–**	**351,640,000**
	₱4,468,774,172	**–**	**₱582,575,205**	**₱–**	**₱5,051,349,377**

	2023				
	General Approach			Simplified	
	Stage 1	Stage 2	Stage 3	Approach	Total
Cash with banks and cash equivalents	₱1,342,059,132	₱–	₱–	₱–	₱1,342,059,132
Receivables:					–
Trade	841,448,673	–	–	–	841,448,673
Others	18,132,974	–	21,989,828	–	40,122,802
Advances to related parties	2,304,109	–	–	–	2,304,109
Other noncurrent assets:				–	
Advance to GMU	112,150,750	–	–	–	112,150,750
Nontrade receivable	–	–	75,517,940	–	75,517,940
MRF	28,539,254	–	–	–	28,539,254
Financial asset measured at FVOCI	7,000,000	–	344,640,000	–	351,640,000
	₱2,351,634,892	₱–	₱442.351,122	₱–	₱2,793,536,014

Liquidity Risk

Liquidity risk is the risk that Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group manages its liquidity based on business needs, tax, capital or regulatory considerations, if applicable, in order to maintain flexibility. The Group addresses liquidity concerns primarily through cash flows from operations and short-term borrowings.

The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of cash and receivables. The Group considers its available funds and its liquidity in managing its long-term financial requirements. For its short-term funding, the Group’s policy is to ensure that there are sufficient operating capital inflows to match repayments of short-term debt.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments and financial assets used to manage liquidity risk as at December 31, 2024 and 2023.

2024	**On demand**	**Less than three (3) months**	**Three (3) to 12 months**	**More than 12 months**	**Total**
Trade and other payables					
Trade	**₱1,139,592,665**	**₱–**	**₱–**	**₱–**	**₱1,139,592,665**
Nontrade	**48,932,365**	**–**	**–**	**–**	**48,932,365**
Accrued expenses	**140,027,714**	**–**	**–**		**140,027,714**
Retention fees	**13,279,920**	**–**	**–**	**–**	**13,279,920**
Payables to employees	**110,371,387**	**–**	**–**	**–**	**110,371,387**
Dividends Payable	**59,437,064**	**–**	**–**	**–**	**59,437,064**
Others	**88,741,786**	**–**	**–**	**–**	**88,741,786**
Financial liability	**–**	**1,762,234,128**	**–**	**1,335,817,668-**	**3,098,051,796**
Advances from related parties	**374,858,016**	**–**	**–**	**–**	**374,858,016**
Loans payable	**–**	**–**	**2,618,354,384**	**4,610,970,065**	**7,229,324,449**
	₱1,975,240,917	**₱1,762,234,128**	**₱2,618,354,384**	**₱5,946,787,733**	**₱12,302,617,162**

2024	**On demand**	**Less than three (3) months**	**Three (3) to 12 months**	**More than 12 months**	**Total**
Cash and cash equivalents	**₱3,201,158,327**	**₱–**	**₱–**	**₱–**	**₱3,201,158,327**
Receivables:					
Trade	**1,229,808,874**	**–**	**–**	**–**	**1,229,808,874**
Others	**28,502,862**	**–**	**–**	**21,989,828**	**50,492,690**
Advances to related parties	**2,304,109**	**–**	**–**	**–**	**2,304,109**
Other noncurrent assets:					
Advance to GMU	**–**	**–**	**–**	**112,129,250**	**112,129,250**
MRF	**–**	**–**	**–**	**28,298,187**	**28,298,187**
Nontrade receivable	**–**	**–**	**–**	**75,517.940**	**75,517,940**
Financial asset measured at FVOCI	**7,000,000**	**–**	**–**	**344,640,000**	**351,640,000**
	₱4,544,292,112	**₱–**	**₱–**	**₱507,057,265**	**₱5,051,349,377**

2023	On demand	Less than three (3) months	Three (3) to 12 months	More than 12 months	Total
Trade and other payables					
Trade	₱917,214,582	₱–	₱–	₱–	₱917,214,582
Nontrade	85,576,857				85,576,857
Accrued expenses	107,310,052	–	–	–	107,310,052
Retention fees	12,081,262	–	–	–	12,081,262
Payables to employees	106,454,707	–	–	–	106,454,707
Dividends Payable	50,627,881	–	–	–	50,627,881
Others	77,403,666	–	–	–	77,403,666
Financial liability	–	836,661,303	–	3,008,811,659	3,845,472,962
Advances from related parties	916,012,000	–	–	–	916,012,000
Loans payable	–	–	4,083,966,092	1,141,057,584	5,225,023,676
	₱2,272,681,007	₱836,661,303	₱4,083,966,092	₱4,419,869,243	₱11,343,177,645

2023	On demand	Less than three (3) months	Three (3) to 12 months	More than 12 months	Total
Cash and cash equivalents	₱1,342,059,132	₱–	₱–	₱–	₱1,342,059,132
Receivables:					
Trade	841,448,673	–	–	–	841,448,673
Others	18,132,974	–	–	21,989,828	40,122,802
Advances to related parties	2,304,109	–	–	–	2,304,109
Other noncurrent assets:					
Advance to GMU	112,150,750	–	–	–	112,150,750
MRF	–	–	–	28,539,254	28,539,254
Nontrade receivable	75,517,940	–	–	–	75,517,940
Financial asset measured at FVOCI	7,000,000	–	–	344,640,000	351,640,000
	₱2,398,613,578	₱–	₱–	₱395,169,082	₱2,793,782,660

Foreign Currency Risk
The Group is exposed to currency risk arising from the effect of fluctuations in foreign currency exchange rates on commercial transactions and recognized assets and liabilities that are denominated in a currency that is not the Group's functional currency.

The Group has transactional currency exposures arising from its sales and purchases in US$. To minimize its foreign currency risk, the Group normally requires its purchases from suppliers to be denominated in its functional currency to eliminate or reduce the currency exposures. The Group does not have forward currency contracts.

The Group foreign currency-denominated financial instruments as at December 31, 2024 and 2023 are as follows:

	2024		2023	
	US$	**Php**	US$	Php
Financial Assets				
Cash and cash equivalents	**$36,936,172**	**₱2,136,757,550**	$11,353,741	₱628,656,639
Trade receivables	**20,845,261**	**1,205,898,349**	14,808,553	819,949,580
	57,781,433	**3,342,655,899**	26,162,294	1,448,606,219
Financial Liabilities				
Trade payables	**3,395,324**	**196,419,493**	23,920,943	1,324,502,614
Loans payable	**77,940,400**	**4,508,852,140**	43,684,000	2,418,783,080
Financial liability	**53,557,815**	**3,098,051,796**	69,450,478	3,845,472,967
	134,893,539	**7,803,329,429**	137,055,421	7,588,758,661
Net financial assets (liabilities)	**($77,112,106)**	**(₱4,460,673,530)**	($110,893,127)	(₱6,140,152,442)

As at December 31, 2024 and 2023, the exchange rate based on the Bankers Association of the Philippines peso to US$1.00 was ₱57.85 and ₱55.37, respectively.

The sensitivity to a reasonable possible change in the US$ exchange rate, with all other variables held constant, of the Group's income before income tax (due to changes in fair value of monetary assets and liabilities) as at December 31, 2024 and 2023 are as follows:

		Change in foreign exchange rates	Effect in income before tax
US$	**2024**	**₱0.68**	**(₱52,698,034)**
		(0.79)	**60,656,762**
	2023	₱0.69	(₱76,640,220)
		(0.56)	61,765,635

There is no other impact on the Group's equity other than those already affecting the consolidated statements of comprehensive income.

Commodity Price Risk
The Group is exposed to the risk of fluctuations in prevailing market commodity prices on the gold and silver it produces. The Group's policy to minimize the risk is by closely monitoring regularly the movement in metal prices and by selling on spot price basis or by the LBMA AM or PM fix, depending on the price trend which may indicate to be more favorable to the Group.

Assuming all other variables remain constant, the impact of the change in metal prices is relative to the consolidated financial statements in 2024 and 2023 as follows:

	Change in gold metal price	Effect on income before tax
2024	**Increase by 14%**	**₱2,039,303,676**
	Decrease by 14%	**(2,039,303,676)**
2023	Increase by 13%	₱1,510,744,070
	Decrease by 13%	(1,510,744,070)

Capital Management

The primary objective of the Group's capital management is to maintain a strong credit rating in order to support its business, maximize stockholder value, comply with capital restrictions and requirements as imposed by regulatory bodies, including limitations on ownership over the Group's shares, requisites for actual listing and trading of additional shares, if any, and required minimum debt to base equity ratio for the Group's loan covenants. Capital pertains to equity, excluding reserve from revaluation of property, plant and equipment, and advances from related parties.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new shares. No changes were made in the objectives, policies or processes during the years ended December 31, 2024 and 2023.

The Group considers the following as its core economic capital:

	2024	2023
Issued capital stock	**₱6,227,887,491**	₱6,227,887,491
APIC	**634,224**	634,224
Treasury shares	**(2,081,746,680)**	(2,081,746,680)
	₱4,146,775,035	₱4,146,775,035

The Group has no externally imposed capital requirements.

29. Fair Value Measurements

Financial Assets at FVOCI

The quoted equity instruments designated at financial assets at FVOCI as at December 31, 2024 and 2023 are classified under Level 1 of the fair value hierarchy since these are based on quoted market prices. Unquoted equity instruments are classified under Level 3 of the fair value hierarchy since these are based on significant unobservable inputs.

Property, Plant, and Equipment
The fair value of property, plant and equipment is calculated using the cost approach method, which results in measurements being classified as Level 3 in the fair value hierarchy.

			Fair Value Measurement		
	Date of Valuation	Total	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial asset measured at FVOCI (Note 9)	**2024**	**₱7,000,000**	**₱7,000,000**	**₱–**	**₱–**
	2023	7,000,000	7,000,000	–	–
Property, plant, and equipment (Note 10)	**2024**	**₱15,119,602,080**	**₱–**	**₱–**	**₱15,119,602,080**
	2023	13,083,989,196	–	–	13,083,989,196

Cash and Cash Equivalents, Trade and Other Receivables, Advances to Related Parties, Trade and Other Payables, Accrued Liabilities, Payable to Employees, Retention Fees, Nontrade Receivable
The carrying amounts of these financial instruments approximate their fair value due to the short-term nature and maturity.

MRF, Advance to GMU, Loans Payable, Financial Liability
The carrying amounts of these financial instruments approximate their fair values. The effect of discounting on these financial instruments is not considered significant.

30. Significant Agreements, Provisions and Contingencies

Parent Company

a. A*greement with Indigenous Cultural Communities (ICC) and National Commission on Indigenous Peoples (NCIP) pursuant to Republic Act 8371*
On June 16, 2004, the Parent Company, together with the ICC of Maco, Davao de Oro and the NCIP, entered into an agreement pursuant to Republic Act 8371 and its implementing rules. The agreement calls for the compliance of the Parent Company with regard to providing scholarships, health and welfare programs, payment for surface rights and for royalties to the ICCs. The payment for surface rights is at 1% percent of the gross production of the Parent Company derived from the Maco mine. The payment for royalty is based on 1% of gross income (sales less cost of sales).

   In 2024, 2023, and 2022 royalties to IP recognized under "Cost of Production" amounted to ₱63.09 million, ₱48.33 million, and ₱44.90 million, respectively (see Note 21).

   In 2024, 2023 and 2022 surface rights to IP recognized under "Cost of Production" amounted to ₱134.44 million, ₱104.87 million, and ₱93.81 million, respectively (see Note 21).

b. *Operating Lease Agreement*
The Parent Company entered into several lease agreements covering various machinery and equipment used in the mining operations. Total rent expense recognized on these lease agreements amounted to ₱12.71 million, ₱26.52 million, and ₱15.22 million in 2024, 2023 and 2022, respectively (see Notes 21 and 22).

c. *Refining and Transportation Agreement with Heraeus*
On April 1, 2023, the Parent Company renewed its Refining and Transportation Agreement, covering its gold and silver bullion production with Heraeus valid until March 31, 2025.

Under the agreement, title to the gold and silver bullion shall pass from the Parent Company to Heraeus upon settlement otherwise the title shall remain with the Parent Company. The Parent Company may elect to sell the refined gold and silver to Heraeus, and the price for all sales shall be based on quoted metal prices in London Bullion Market Association.

MORE

d. *Heads of Agreement with Forum*
In 2007, MORE entered into a Heads of Agreement with Forum to execute a joint operating agreement (JOA) on GSEC 101 upon the DOE's consent to the assignment, transfer and conveyance to MORE of 30% participating interest in GSEC 101 which has since then been converted to SC 72. The Heads of Agreement provides that MORE shall pay 30% of all costs and expenses (on an accrual basis) of the joint operations under the JOA.

On October 5, 2015, the DOE approved the assignment, transfer and conveyance, of the 30% participating interest in SC 72 to MORE. Consequently, MORE and Forum as parties constituting the consortium, have embarked on the finalization of the on-going JOA on SC 72.

31. **Operating Segments**

The Group is organized into business units on their products and activities and has three reportable business segments: the mining, oil and gas, and solid waste management segment. The operating businesses are organized and managed separately through the Parent Company and its subsidiaries according to the nature of the products provided, with each segment representing a strategic business unit that offers different products to different markets.

Net income (loss) for the year is measured consistent with consolidated net income (loss) in the consolidated statements of income.

EBITDA is measured as net income excluding interest expense, interest income, benefit from (provision for) income tax, depreciation and depletion of property, plant and equipment, amortization of intangible assets and effects of non-recurring items.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on core and net income (loss) for the year, EBITDA, exploration results, or project potential, among others.

EBITDA is not a uniform or legally defined financial measure. EBITDA, however, is presented because the Group believes it is an important measure of performance and liquidity. The Group relies primarily on the results determined in accordance with PFRS Accounting Standards and uses EBITDA only as supplementary information.

Management evaluates its computation of EBITDA to exclude the effects of non-recurring items. Management believes that this computation of EBITDA is more useful in making decisions about resource allocation and performance assessment of its reportable segments.

The following tables present revenue and profit and certain asset and liability information regarding the Group's business segments.

	2024				
	Mining	**Oil and gas**	**Solid waste management**	**Eliminations**	**Total**
Revenue					
External customer	**₱15,142,201,879**	**₱–**	**₱–**	**₱–**	**₱15,142,201,879**
Inter-segment	**–**	**–**	**–**	**–**	**–**
Consolidated revenue	**₱15,142,201,879**	**₱–**	**₱–**	**₱–**	**₱15,142,201,879**
Results					
EBITDA	**7,870,363,965**	**84,464,281**	**(150,524)**	**(45,206,182)**	**7,909,471,540**
Interest income (expense) - net	**(597,250,965)**	**2,438,310**	**–**	**–**	**(594,812,655)**
Income tax expense	**(1,115,271,735)**	**(1,321,315)**	**–**	**–**	**(1,116,593,050)**
Depreciation and depletion	**(1,434,324,379)**	**(2,882,343)**	**–**	**–**	**(1,437,206,722)**
Nonrecurring items	**(436,200,586)**	**–**	**–**	**–**	**(436,200,586)**
Consolidated net income (loss)	**₱4,287,316,300**	**₱82,698,933**	**(150,524)**	**(45,206,182)**	**₱4,324,658,527**
Consolidated total assets	**₱28,485,570,669**	**₱3,547,356,251**	**₱58,735,550**	**₱–**	**₱32,091,662,470**
Consolidated total liabilities	**₱13,250,339,090**	**₱359,586,791**	**₱2,710,795**	**₱–**	**₱13,612,636,676**

	2023				
	Mining	Oil and gas	Solid waste management	Eliminations	Total
Revenue					
External customer	₱12,075,094,595	₱–	₱–	₱–	₱12,075,094,595
Inter-segment	–	–	–	–	–
Consolidated revenue	₱12,075,094,595	₱–	₱–	₱–	₱12,075,094,595
Results					
EBITDA	6,331,722,049	74,450,061	(75,746,235)	(29,766,811)	6,300,659,064
Interest income (expense) - net	(561,699,080)	2,433,596	–	–	(559,265,484)
Income tax expense	(708,291,493)	(2,005,185)	–	–	(710,296,678)
Depreciation and depletion	(1,302,903,686)	(2,519,736)	–	–	(1,305,423,422)
Nonrecurring items	(352,938,994)	–	–	–	(352,938,994)
Consolidated net income (loss)	₱3,405,888,796	₱72,358,736	(₱75,746,235)	(₱29,766,811)	₱3,372,734,486
Consolidated total assets	₱23,592,537,751	₱3,415,238,712	₱58,735,550	₱–	₱27,066,512,013
Consolidated total liabilities	₱12,101,076,245	₱356,707,826	₱2,560,271	₱–	₱12,460,344,342

The total revenue from an external customer, attributable to the Philippines, which is the Group's country of domicile, amounted to ₱15.14 billion and ₱12.08 billion in 2024 and 2023, respectively arising from the sale of gold and silver bullion.

32. Supplemental Disclosure to Consolidated Statements of Cash Flows

The following table summarizes the changes in liabilities from financing activities in 2024 and 2023:

	January 1, 2024	**Availments**	**Payments**	**Foreign exchange Loss (Gain)/Interest expense**	**December 31, 2024**
Current Liabilities:					
Bank loans	**₱4,083,966,092**	**₱3,469,912,481**	**(₱3,779,905,573)**	**(₱1,155,618,616)**	**₱2,618,354,384**
Financial liability	**836,661,303**	**88,911,522**	**–**	**–**	**925,572,825**
Noncurrent Liabilities:					
Bank loans	**1,141,057,584**	**2,388,430,519**	**–**	**1,081,481,962**	**4,610,970,065**
Financial Liability	**3,008,811,659**	**(88,911,522)**	**(1,064,095,000)**	**316,673,834**	**2,172,478,971**
	₱9,070,496,638	**₱5,858,343,000**	**(₱4,844,000,573)**	**₱ 242,537,180**	**₱10,327,376,245**

	January 1, 2023	Availments	Payments	Foreign exchange Loss (Gain)/Interest expense	December 31, 2023
Current Liabilities:					
Bank loans	₱4,370,197,906	₱–	(₱253,080,738)	(₱33,151,076)	₱4,083,966,092
Financial liability	–	836,661,303	–	–	836,661,303
Noncurrent Liabilities:					
Bank loans	1,850,134,467	–	(709,076,883)	–	1,141,057,584
Financial liability	–	2,754,937,184	–	253,874,475	3,008,811,659
	₱6,220,332,373	₱3,591,598,487	(₱962,157,621)	₱220,723,399	₱9,070,496,638

The Group had non-cash investing and financing activities in 2024, 2023 and 2022, which were considered in the preparation of the consolidated statements of cash flows, as follows:

	2024	2023	2022
Investing activities:			
Addition to property, plant and equipment pertaining to capitalized mine rehabilitation cost (Note 10)	**₱–**	₱–	₱393,950

33. Subsequent Events

On February 10, 2025, the Parent Company paid $19.00 million to the Sellers in relation to the SPA entered on December 5, 2022.

On January 8, 2025, the Parent Company made additional advance payment for royalty amounting to $1.00 million or ₱58.10 million to PMDC in accordance with the SPA between the Parent Company and the previous shareholders of AAMRC (see Notes 1 and 13).

On March 17, 2025, the Parent Company declared regular and special cash dividends equivalent to ₱0.06944 and ₱0.06944 per common share, respectively. With aggregate amount of ₱864.93 million. The cash dividend are payable on April 25, 2025 to stockholders of record holding shares of the Parent Company's common stock at the close business on April 4, 2025.

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SUYOC GOLD MINE
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BANKERS
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Rizal Commercial Banking Corporation
Union Bank of the Philippines
Bank of Commerce

Awards and Recognitions

Apex Mining Co., Inc.

Top 2 Exporter given by the Bureau of Customs (Collection District XII, Port of Davao)

Top 1 Business Tax Payer given by the Municipality of Maco (Davao de Oro)

Top 2 Real Property Taxpayer given by the Municipality of Maco (Davao de Oro)

Environmental Partner given by the Mines and Geosciences Regional office XI and Department of Environment and Natural Resources Regional Office XI

Itogon-Suyoc Resouces, Inc.

Gong Awards in Business Achievement and Yield (GABAY) as the 7th top taxpayer in Benguet given by the Province of Benguet

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