



**APEX MINING CO., INC.**

Masara, Maco, Davao de Oro



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

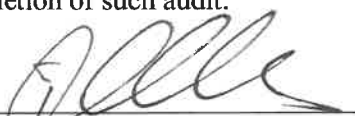
The management of **Apex Mining Co., Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, 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 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 Company's financial reporting process.

The Board of Directors reviews and approves the 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 financial statements of the Company 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 17<sup>th</sup> day of March 2025



# APEX MINING CO., INC.

Masara, Maco, Davao de Oro

18 MAR 2025



SUBSCRIBED AND SWORN to before this \_\_\_\_\_, affiant(s) exhibiting to me their respective Passports, to wit:

Names  
Jose Eduardo J. Alarilla  
Luis R. Sarmiento  
Billy G. Torres

Passport No  
P5730156A  
P80058718  
P6369014A

Doc No. 495  
Page No. 100  
Book No. 57  
Series of 2025

PASIG CITY

**FERDINAND D. AYAHAO**  
Notary Public

For and in Pasig City and the Municipality of ~~Pasig~~  
Appointment No. 96 (2024-2025) valid until 12/31/2026  
MCLE Exemption No. VII-BEP003234, until 04/14/28  
Roll No. 46377; IBP LRN 02459; OR 535886; 06/21/2001  
TIN 123-011-785; PTR 2831461AA; 01/03/25; Pasig City  
U-5, G/F West Tower PSE, Exchange Road  
Ortigas Center, Pasig City Tel.+632-86314090

## File Upload



All files successfully uploaded

Transaction Code:

**AFS-0-2PZVMN2209FEE9AD8NPN31MPQ076A8C8HJ**

Submission Date/Time:

**Mar 19, 2025 06:25 PM**

 [Back To Upload](#)

# FW: Your BIR AFS eSubmission uploads were received

**Pepe Gaspar** <pcgaspar@apexmining.com>

Wed, Mar 19, 2025 at 6:36 PM

To: Billy Torres <bgtorres@apexmining.com>, "Ryan Angelo R. De Guzman" <rrdeguzman@itogonsuyoc.com>

*For your reference.*



Pepe C. Gaspar  
Apex Mining Co., Inc.  
3304B West Tower Tekite Towers  
Exchange Road, Ortigas Center, Pasig City  
Email: [pcgaspar@apexmining.com](mailto:pcgaspar@apexmining.com)  
Website: [www.apexmines.com](http://www.apexmines.com)

---

**From:** [eafs@bir.gov.ph](mailto:eafs@bir.gov.ph) <[eafs@bir.gov.ph](mailto:eafs@bir.gov.ph)>  
**Sent:** Wednesday, March 19, 2025 6:26 PM  
**To:** Pepe Gaspar <[PCGASPAR@APEXMINING.COM](mailto:PCGASPAR@APEXMINING.COM)>  
**Cc:** Pepe Gaspar <[PCGASPAR@APEXMINING.COM](mailto:PCGASPAR@APEXMINING.COM)>  
**Subject:** Your BIR AFS eSubmission uploads were received

**Caution:** This email originated from outside of the organization. Do not click any links or open attachments unless you recognize the sender and know the content is safe.

Hi APEX MINING CO., INC.,

## Valid files

- EAFS000284138RPTTY122024.pdf
- EAFS000284138AFSTY122024.pdf
- EAFS000284138ITRTY122024.pdf

## Invalid file

- <None>

Transaction Code: **AFS-0-2PZVMN2209FEE9AD8NPN31MPQ076A8C8HJ**  
Submission Date/Time: **Mar 19, 2025 06:25 PM**  
Company TIN: **000-284-138**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;

# COVER SHEET

for

## AUDITED FINANCIAL STATEMENTS

SEC Registration Number

4	0	6	2	1						
---	---	---	---	---	--	--	--	--	--	--

**COMPANY NAME**

[illegible]**PRINCIPAL OFFICE** ( No. / Street / Barangay / City / Town / Province )[illegible]

Form Type

<b>A</b>	<b>A</b>	<b>F</b>	<b>S</b>
----------	----------	----------	----------

Department requiring the report

<b>C</b>	<b>R</b>	<b>M</b>	
----------	----------	----------	--

Secondary License Type, If Applicable

N	/	A	
---	---	---	--

## COMPANY INFORMATION

Company's Email Address

**Corpsec@apexmining.com**

Company's Telephone Number

8706-2805

Mobile Number

**+63 908 893 7925**

No. of Stockholders

2,744
-------

Annual Meeting (Month / Day)

4/30

Fiscal Year (Month / Day)

12/31

### CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person

**Billy G. Torres**

Email Address

**bgtorres@apexmining.com**

Telephone Number/s

**8706-2805**

Mobile Number

**+639088937925**

**CONTACT PERSON'S ADDRESS**

**3304B West Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City**

**NOTE 1:** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

**2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.**



## 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 parent company financial statements of Apex Mining Co., Inc. (the Parent Company), which comprise the parent company statements of financial position as at December 31, 2024 and 2023, and the parent company statements of income, parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Parent Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRSs) 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 Parent Company Financial Statements* section of our report. We are independent of the Parent Company 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 parent company 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.

### Responsibilities of Management and Those Charged with Governance for the Parent Company Financial Statements

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

In preparing the parent company financial statements, management is responsible for assessing the Parent 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 management either intends to liquidate the Parent Company or to cease operations, or has no realistic alternative but to do so.



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

### **Auditor's Responsibilities for the Audit of the Parent Company Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company 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, could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company 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 parent company 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 Parent Company'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 Parent Company'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 parent company 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 Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

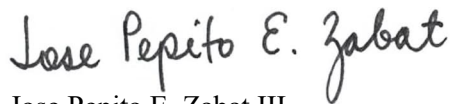


We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on the Supplementary Information Required Under Revenue Regulations 15-2010**

Our audits were conducted for the purpose of forming an opinion on the parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 33 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Apex Mining Co., Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



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.****PARENT COMPANY STATEMENTS OF FINANCIAL POSITION**

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash (Note 4)	<b>₱2,731,389,483</b>	₱1,109,649,844
Trade and other receivables (Note 5)	<b>1,273,600,312</b>	889,865,218
Inventories (Note 6)	<b>1,131,578,156</b>	1,098,919,548
Advances to related parties (Note 13)	<b>1,820,980,861</b>	1,603,026,754
Prepayments and other current assets (Note 7)	<b>343,080,240</b>	481,481,787
<b>Total Current Assets</b>	<b>7,300,629,052</b>	5,182,943,151
<b>Non-current Assets</b>		
Investment in subsidiaries (Notes 1 and 8)	<b>9,439,307,700</b>	9,439,307,700
Property, plant and equipment (Note 9)	<b>12,888,392,796</b>	11,030,975,452
Deferred exploration costs (Note 10)	<b>1,993,635,508</b>	1,800,969,734
Advances to related parties (Note 13)	<b>2,404,370,914</b>	2,018,515,058
Deferred income tax assets - net (Note 25)	<b>103,145,221</b>	46,505,840
Other noncurrent assets (Note 11)	<b>1,146,522,785</b>	1,064,856,686
<b>Total Noncurrent Assets</b>	<b>27,975,374,924</b>	25,401,130,470
<b>TOTAL ASSETS</b>	<b>₱35,276,003,976</b>	₱30,584,073,621
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables (Note 12)	<b>₱1,504,175,219</b>	₱1,508,463,278
Loans payable - current portion (Note 16)	<b>2,337,650,749</b>	3,925,082,171
Advances from related parties (Note 13)	<b>951,955,099</b>	1,508,394,987
Financial liability - current (Note 8)	<b>925,572,825</b>	836,661,303
Income tax payable	<b>328,255,928</b>	269,781,829
<b>Total Current Liabilities</b>	<b>6,047,609,820</b>	8,048,383,568
<b>Non-current Liabilities</b>		
Loans payable - net of current portion (Note 16)	<b>4,435,970,065</b>	766,057,584
Financial liability - net of current portion (Note 8)	<b>2,172,478,971</b>	3,008,811,659
Provision for retirement benefits (Note 14)	<b>395,588,329</b>	373,386,286
Provision for mine rehabilitation and decommissioning (Note 15)	<b>15,203,965</b>	14,482,256
<b>Total Noncurrent Liabilities</b>	<b>7,019,241,330</b>	4,162,737,785
<b>Total Liabilities</b>	<b>13,066,851,150</b>	12,211,121,353
<b>Equity</b>		
Capital stock (Note 17)	<b>6,227,887,491</b>	6,227,887,491
Additional paid-in capital (Note 17)	<b>15,941,675</b>	15,941,675
Revaluation surplus on property, plant and equipment (Note 9)	<b>166,099,885</b>	190,678,742
Remeasurement loss on retirement plan (Note 14)	<b>27,470,714</b>	16,640,756
Retained earnings	<b>15,771,753,061</b>	11,921,803,604
<b>Total Equity</b>	<b>22,209,152,826</b>	18,372,952,268
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱35,276,003,976</b>	₱30,584,073,621

See accompanying Notes to Parent Company Financial Statements.



**APEX MINING CO., INC.****PARENT COMPANY STATEMENTS OF INCOME**

	Years Ended December 31		
	2024	2023	2022
<b>REVENUES</b>			
Gold	<b>₱12,806,566,953</b>	₱10,247,820,845	₱9,043,767,122
Silver	<b>567,085,650</b>	448,506,860	455,172,273
	<b>13,373,652,603</b>	10,696,327,705	9,498,939,395
<b>COST OF PRODUCTION</b> (Note 19)	<b>(6,438,607,429)</b>	(5,134,154,507)	(4,745,625,726)
<b>EXCISE TAXES</b>	<b>(546,967,678)</b>	(423,705,687)	(372,823,669)
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b> (Note 20)	<b>(332,130,226)</b>	(160,166,023)	(149,747,797)
<b>FINANCE COSTS</b> (Note 24)	<b>(568,430,199)</b>	(543,074,884)	(158,980,547)
<b>OTHER CHARGES - net</b> (Note 21)	<b>(222,305,721)</b>	(203,710,530)	(74,929,624)
<b>INCOME BEFORE INCOME TAX</b>	<b>5,265,211,350</b>	4,231,516,074	3,996,832,032
<b>BENEFIT FROM (PROVISION FOR) INCOME TAX</b> (Note 25)			
Current	<b>(992,934,556)</b>	(775,964,900)	(699,216,822)
Deferred	<b>60,249,368</b>	46,682,822	7,940,256
	<b>(932,685,188)</b>	(729,282,078)	(691,276,566)
<b>NET INCOME</b>	<b>₱4,332,526,162</b>	₱3,502,233,996	₱3,305,555,466
<b>BASIC/DILUTED EARNINGS PER SHARE</b> (Note 18)	<b>₱0.70</b>	₱0.56	₱0.53

See accompanying Notes to Parent Company Financial Statements.



**APEX MINING CO., INC.****PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31		
	2024	2023	2022
<b>NET INCOME</b>	<b>₱4,332,526,162</b>	<b>₱3,502,233,996</b>	<b>₱3,305,555,466</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX</b>			
<i>Item not to be reclassified to profit or loss in subsequent periods:</i>			
Remeasurement gains (losses) on retirement plan, net of tax (Note 14)	(10,829,958)	(40,472,529)	30,980,986
	<b>(10,829,958)</b>	<b>(40,472,529)</b>	<b>30,980,986</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱4,321,696,204</b>	<b>₱3,461,761,467</b>	<b>₱3,336,536,452</b>

*See accompanying Notes to Parent Company Financial Statements.*



**APEX MINING CO., INC.**

**PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 and 2022**

	Capital stock (Note 17)	Additional paid-in capital (Note 17)	Revaluation surplus (Note 9)	Remeasurement gain (loss) on retirement plan (Note 14)	Retained earnings (Note 17)	Total
Balances at December 31, 2021	₱6,227,887,491	₱15,941,675	₱280,481,927	₱26,132,299	₱5,423,860,726	₱11,974,304,118
Net income	—	—	—	—	3,305,555,466	3,305,555,466
Other comprehensive income, net of tax	—	—	—	30,980,986	—	30,980,986
Total comprehensive income	—	—	—	30,980,986	3,305,555,466	3,336,536,452
Transfer of portion of revaluation surplus realized through depreciation, depletion and disposal, net of tax (Note 9)	—	—	(54,456,091)	—	54,456,091	—
Dividends (Note 17)	—	—	—	—	(65,704,214)	(65,704,214)
Balances at December 31, 2022	₱6,227,887,491	₱15,941,675	₱226,025,836	₱57,113,285	₱8,718,168,069	₱15,245,136,356
Balances at December 31, 2022	₱6,227,887,491	₱15,941,675	₱226,025,836	₱57,113,285	₱8,718,168,069	₱15,245,136,356
Net income	—	—	—	—	3,502,233,996	3,502,233,996
Other comprehensive income, net of tax	—	—	—	(40,472,529)	—	(40,472,529)
Total comprehensive income	—	—	—	(40,472,529)	3,502,233,996	3,461,761,467
Transfer of portion of revaluation surplus realized through depreciation, depletion and disposal, net of tax (Note 9)	—	—	(35,347,094)	—	35,347,094	—
Dividends (Note 17)	—	—	—	—	(333,945,555)	(333,945,555)
Balances at December 31, 2023	₱6,227,887,491	₱15,941,675	₱190,678,742	₱16,640,756	₱11,921,803,604	₱18,372,952,268

(Forward)



	Capital stock (Note 17)	Additional paid-in capital (Note 17)	Revaluation surplus (Note 9)	Remeasurement gain (loss) on retirement plan (Note 14)	Retained earnings (Note 17)	Total
Balances at December 31, 2023	₱6,227,887,491	₱15,941,675	₱190,678,742	₱16,640,756	₱11,921,803,604	₱18,372,952,268
Net income	—	—	—	—	4,332,526,162	4,332,526,162
Other comprehensive income, net of tax	—	—	—	10,829,958	—	10,829,958
Total comprehensive income	—	—	—	10,829,958	4,332,526,162	4,343,356,120
Transfer of portion of revaluation surplus realized through depreciation, depletion and disposal, net of tax (Note 9)	—	—	(24,578,857)	—	24,578,857	—
Dividends (Note 17)	—	—	—	—	(507,155,562)	(507,155,562)
Balances at December 31, 2024	₱6,227,887,491	₱15,941,675	₱166,099,885	₱27,470,714	₱15,771,753,061	₱22,209,152,826

See accompanying Notes to Parent Company Financial Statements.



**APEX MINING CO., INC.****PARENT COMPANY STATEMENTS OF CASH FLOWS**

	<b>Years Ended December 31</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax	<b>₱5,265,211,350</b>	<b>₱4,231,516,074</b>	<b>₱3,996,832,032</b>
Adjustments for:			
Depreciation, depletion and amortization (Note 22)	<b>1,115,925,891</b>	<b>1,106,799,067</b>	<b>1,099,292,071</b>
Interest and accretion expense (Note 24)	<b>568,430,199</b>	<b>543,074,884</b>	<b>158,980,547</b>
Unrealized foreign exchange loss	<b>362,900,815</b>	<b>54,633,165</b>	<b>9,395,401</b>
Provision (reversal) of allowance for losses and obsolescence (Note 6)	<b>106,542,100</b>	<b>(35,968,479)</b>	<b>34,604,673</b>
Movement in provision for retirement benefits (Note 14)	<b>16,929,875</b>	<b>(2,568,285)</b>	<b>38,722,842</b>
Impairment loss on input VAT (Notes 11 and 21)	<b>9,896,187</b>	<b>—</b>	<b>—</b>
Interest income (Notes 4 and 21)	<b>(8,746,217)</b>	<b>(12,037,669)</b>	<b>(3,057,501)</b>
Loss (gain) on disposal of equipment (Notes 9 and 21)	<b>—</b>	<b>—</b>	<b>316,444</b>
Operating income before working capital changes	<b>7,437,090,200</b>	<b>5,885,448,757</b>	<b>5,335,086,509</b>
Decrease (increase) in:			
Trade and other receivables	<b>(383,735,094)</b>	<b>(2,796,667)</b>	<b>(863,195,018)</b>
Advances to related parties	<b>(603,809,963)</b>	<b>(1,912,155,829)</b>	<b>(288,098,944)</b>
Inventories	<b>(139,200,707)</b>	<b>152,272,338</b>	<b>(336,497,262)</b>
Prepayments and other current assets	<b>138,401,547</b>	<b>(216,582,898)</b>	<b>(285,880,694)</b>
Increase (decrease) in:			
Trade and other payables	<b>(13,097,241)</b>	<b>298,627,931</b>	<b>104,545,668</b>
Advances from related parties	<b>(556,439,888)</b>	<b>(118,500,903)</b>	<b>(106,173,042)</b>
Net cash generated from operations	<b>5,879,208,854</b>	<b>4,086,312,729</b>	<b>3,559,787,217</b>
Income tax paid	<b>(934,261,325)</b>	<b>(723,141,352)</b>	<b>(835,385,952)</b>
Interest paid	<b>(429,061,876)</b>	<b>(406,719,705)</b>	<b>(154,696,796)</b>
Interest received	<b>8,547,085</b>	<b>12,037,669</b>	<b>3,057,501</b>
Net cash flows from operating activities	<b>4,523,527,615</b>	<b>2,968,489,341</b>	<b>2,572,761,970</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment (Note 9)	<b>(2,902,489,203)</b>	<b>(2,636,801,776)</b>	<b>(1,749,102,409)</b>
Proceeds from disposal of property, plant, and equipment (Note 9)	<b>—</b>	<b>—</b>	<b>2,142,857</b>
Decrease (increase) in:			
Deferred exploration costs (Note 10)	<b>(192,665,774)</b>	<b>(287,975,271)</b>	<b>(234,210,006)</b>
Other noncurrent assets	<b>(102,378,417)</b>	<b>1,220,348,051</b>	<b>(2,249,159,521)</b>
Net cash flows used in investing activities	<b>(3,197,533,394)</b>	<b>(1,704,428,996)</b>	<b>(4,230,329,079)</b>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>			
Availment of loans (Note 16)	<b>5,858,343,000</b>	<b>—</b>	<b>1,931,064,000</b>
Payment of loans (Note 16)	<b>(3,779,905,574)</b>	<b>(721,307,870)</b>	<b>(657,282,226)</b>
Payment of financial liability	<b>(1,064,095,000)</b>	<b>—</b>	<b>—</b>
Dividends paid (Note 17)	<b>(498,346,380)</b>	<b>(288,896,456)</b>	<b>(60,125,432)</b>
Net cash flows generated from financing activities	<b>515,996,046</b>	<b>(1,010,204,326)</b>	<b>1,213,656,342</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,842,895,390</b>	<b>253,856,019</b>	<b>(443,910,767)</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>(221,155,751)</b>	<b>(23,012,060)</b>	<b>15,214,720</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>1,109,649,844</b>	<b>878,805,885</b>	<b>1,307,501,932</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)</b>	<b>₱2,731,389,483</b>	<b>₱1,109,649,844</b>	<b>₱878,805,885</b>

See accompanying Notes to Parent Company Financial Statements.



## APEX MINING CO., INC.

### NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

---

#### 1. Corporate Information, Status of Operations and Authorization to Issue the Parent Company 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”. It has three 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.

On February 10, 2023, the Parent Company acquired 1,900,000 shares, representing 100% ownership, of AAMRC, a mining company which has interest, by virtue of a Joint Operating Agreement (JOA) with Philippine Mining Development Corporation (PMDC), mining claims in Mabini, Maco and Maragusan, Davao de Oro, for \$81.50 million or ₱3.89 billion (see Note 8).

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.

##### Status of Operations

Significant developments in the Parent Company’s operations are as follows:

##### *Maco Mines*

The Parent Company’s Maco Mines hold valid and subsisting Mineral Production Sharing Agreement (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 Mines has three 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.



#### Authorization to Issue the Parent Company Financial Statements

The accompanying Parent Company financial statements 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 parent company financial statements have been prepared on a historical cost basis, except for property, plant and equipment, which are carried at revalued amounts. The Parent Company 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 Parent Company financial statements have been prepared in compliance with the Philippine Financial Reporting Standards (PFRSs) Accounting Standards.

#### 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 Parent Company 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 a material impact on the consolidated financial statements of the Parent Company:

- 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 Issues but not yet Effective

Pronouncements issued but not yet effective are listed below. The Parent Company intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the parent company 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*

- Amendments to PFRS 9 and 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*

*Effective beginning on or after January 1, 2027*

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

*Deferred effectivity*

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Material Accounting Policy Information and Financial Reporting Policies

Presentation of Parent Company Financial Statements

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

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 Parent Company's business model for managing them. The Parent Company 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 Parent Company'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 marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Parent Company commits to purchase or sell the asset.

As at December 31, 2024 and 2023, the Parent Company 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 Parent Company. The Parent Company 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 Parent Company 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 Parent Company 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 Parent Company 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 Parent Company 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 Parent Company's financial assets at amortized cost include cash with banks, short-term deposits, trade and other receivables, advances to related parties and mine rehabilitation fund (MRF) under "Other noncurrent assets".

#### Financial Liabilities

##### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, 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 Parent Company's accounts payables, 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 Parent Company 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 Parent Company 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 Parent Company applies the simplified approach in calculating ECLs, as permitted by PFRS 9. Therefore, the Parent Company 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 Parent Company 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 the 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 Parent Company 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 Parent Company's historical experience and informed credit assessment including forward-looking information.



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

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 year and not subject to enforcement activity.

At each reporting date, the Parent Company 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 Parent Company 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 Parent Company 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 Parent Company 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 Parent Company’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 Parent Company 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 Parent Company’s continuing involvement is the amount of the transferred asset that the Parent Company 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 Parent Company’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 parent company statements of income.



#### Offsetting of Financial Instruments

Financial assets and financial liabilities are only offset and the net amount reported in the parent company statement of financial position when there is a enforceable legal right to offset the recognized amounts and the Parent Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Parent Company 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 Parent Company 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 26.

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 Parent Company. 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 Parent Company 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 parent company 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 parent company financial statements on a recurring basis, the Parent Company 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.



### Inventories

Inventories, which consist of gold and silver bullions, metal in-circuit, ore stockpile, and materials and supplies used in the Parent Company'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 in bullion pertains to dore, a mixture of gold and silver bullion. 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 still needs 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 comprises 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 inventory bullion is expected to exceed its NRV.

### Investment in Subsidiaries

A subsidiary is an entity that is controlled by another entity. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiaries are accounted for under the cost method less any impairment losses. Cost method is a method of accounting for an investment whereby the investment is recognized at cost. The investor recognizes income from the investment only to the extent that the investor receives distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as a reduction of the cost of the investment.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company and its accounting policies conforms to those used by the Parent Company for like transactions and events in similar circumstances. Where necessary, adjustments are made to bring the accounting policies of the subsidiaries in line with those of the Parent Company.

### Leases

#### *Determination of Whether an Arrangement Contains a Lease*

The Parent Company 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 Parent 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.



### 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, 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 difference reflects 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 Parent Company 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, useful lives, and recoverable reserves and are reviewed and adjusted, if appropriate, at each end of the reporting period.

Property, plant, and equipment is depreciated or depleted from the moment the assets are available for use and after the risks and rewards are transferred to the Parent Company. 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 Parent 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, less any impairment in value. These costs are capitalized until assets are already available for use or when the Parent Company has already achieved commercial levels of production at which time, these costs are transferred 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 mine 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 exploration work prior to drilling are charged to the parent company statement of income. Deferred exploration costs represent capitalized expenditures related to the acquisition and exploration of 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 Parent Company 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.

#### Other Noncurrent Assets

Other noncurrent assets include input VAT, MRF, deposits, national transmission lines, mining software and advances for royalties of the Parent Company. These are carried at historical cost and classified as noncurrent since the Parent Company expects to utilize the 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 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 statement of financial position to the extent of the recoverable amount.

#### *Mining Software*

Mining software consists of acquired computer software licenses and is 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 the assets' estimated useful lives of three years.

#### Impairment of Nonfinancial Assets

##### *Investment in Subsidiaries*

The Parent Company determines at each end of the reporting period whether there is any objective evidence that its investment in subsidiaries is impaired. If this is the case, the Parent Company calculates the amount of impairment as being the difference between the fair value of the investment and the acquisition cost and recognizes the amount of difference in the parent company statement of income.

An assessment is made at each end of 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 investments' recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amounts of the investments are increased to their recoverable amounts. The increased amounts cannot exceed the carrying amounts that would have been determined had no impairment loss been recognized for the assets in prior years. Such reversal is recognized in the statement of income.

##### *Property, Plant, and Equipment, Intangible Assets, and Nonfinancial Other Current and Noncurrent Assets*

The Parent Company assesses at each reporting period whether there is an indication that property, plant and equipment, intangible assets, and nonfinancial other 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 cash generating units (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 group of assets. In assessing the 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 parent company 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 parent company 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 are 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 Parent Company 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 Parent Company'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.

#### Provision for Mine Rehabilitation and Decommissioning

Mine rehabilitation costs will be incurred by the Parent Company either while operating, or at the end of the operating life of, the Parent Company's facilities and mine properties. The Parent Company assesses its mine rehabilitation provision at each reporting date. The Parent Company 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 Parent Company 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 parent company 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 parent company 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 Parent Company, nor can these be paid directly to the Parent Company. 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 Parent Company'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.

### Earnings Per Share

#### *Basic*

Basic earnings per share is calculated by dividing the 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 net income attributable to ordinary stockholders of the Parent Company 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 the refiner 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 its settlement of the metal credits to the Parent Company, at which point revenue is recognized.

#### *Interest Income*

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



### Costs and Expenses

Cost 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. Cost and expenses are recognized in the parent company 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 Parent Company 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 Parent Company. These are recognized when incurred.

### Borrowing Costs

Borrowing costs are interest and other costs that the Parent Company 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 cost.

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 Parent Company during the period. All other borrowing costs are recognized in the parent company statement of income in the period in which these are incurred.

### Income Taxes

#### *Current Income Tax*

Current 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 parent company statement of income.

#### *Uncertainty over income tax treatments*

The Parent Company 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 Parent Company 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 Parent Company 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 Parent Company 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 Parent Company presents uncertain tax liabilities as part of current tax liabilities or deferred tax liabilities.

#### Operating segments

The Parent Company'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.

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 Parent Company's 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 parent company 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.

#### Judgments

In the process of applying the Parent Company'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 parent company financial statements.

#### *Assessment of Control over Subsidiaries*

The Parent Company has wholly-owned subsidiaries. The Parent Company determines control when it is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. The Parent Company controls an entity if and only if the Parent Company has all of the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

As at December 31, 2024, the Parent Company assessed that it has control over MORE, ISRI and AAMRC and has accounted for these as investments in subsidiaries.

#### Accounting Estimates and Assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities recognized in the parent company financial statements within the next financial year are discussed below.

#### *Provision for ECL on Trade and Other Receivables and Advances to Related Parties*

The Parent Company 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 and advances to related parties is undertaken upon initial recognition and at each financial year by examining the financial



position of counterparties and related parties and the market in which they operate by 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 and advances to related parties amounted to ₱3.36 billion and ₱4.51 billion, net of allowance for impairment losses amounting to ₱1.67 million as at December 31, 2024 and 2023 (see Notes 5 and 13).

*Estimation of Allowance for Inventory Losses and Obsolescence*

The Parent Company 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 original acquisition costs.

The Parent Company recorded provision for inventory losses and obsolescence amounting to ₱106.54 million in 2024 and reversal of provision for inventory losses and obsolescence ₱35.97 million in 2023 (see Note 6). As at December 31, 2024 and 2023, the carrying amounts of inventories amounted to ₱1.13 billion and ₱1.10 billion, respectively, net of allowance for inventory losses and obsolescence of ₱144.59 million and ₱38.05 million, respectively (see Note 6).

*Assessment of the Recoverability of Deferred Exploration Costs*

The application of the Parent Company's accounting policy for deferred exploration 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.

Deferred exploration costs amounted to ₱1.99 billion and ₱1.80 billion as at December 31, 2024 and 2023, respectively (see Note 10).

*Estimation of Fair Value, Useful Lives and Residual Values of Property, Plant and Equipment*

The Parent Company estimates the fair value, useful lives, and residual values of property, plant and equipment based on the results of assessment of independent appraisers. Fair value 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 as at December 31, 2024 and 2023 has net book values amounting to ₱12.89 billion and ₱11.03 billion respectively, while property, plant, and equipment at cost has net book values as at December 31, 2024 and 2023 amounting to ₱12.67 billion and





₱10.78 billion, respectively (see Note 9). The estimated useful lives are disclosed in Note 2 to the parent company financial statements.

*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 Parent Company estimates its ore reserves in accordance with local regulatory guidelines provided under the Philippine Mineral Reporting Code, duly reviewed and certified by a Competent Person.

Depletion rates used to amortize depletable mine and mining properties in 2024, 2023 and 2022 was 9%, 11% and 11%, respectively. Depletion costs amounted to ₱167.21 million, ₱248.89 million, ₱305.41 million, in 2024, 2023 and 2022, respectively. Depletable mine and mining properties, net of accumulated depletion, amounted to ₱2.11 billion and ₱1.76 billion as at December 31, 2024 and 2023 (see Note 9).

*Estimation of Impairment of Nonfinancial Assets, including Investment in Subsidiaries, Property, Plant, and Equipment and Other Current and Noncurrent Assets*

The Parent Company evaluates whether investment in subsidiaries, property, plant, and equipment, and other nonfinancial 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, 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 Parent Company. 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 investment in subsidiaries, property, plant and equipment, and nonfinancial other current and noncurrent assets amounted to ₱23.82 billion and ₱22.02 billion as at December 31, 2024 and 2023, respectively (see Notes 7, 8, 9, and 11).

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 ₱162.67 million (see Note 9). Write-off of property, plant, and equipment and other nonfinancial noncurrent assets recognized were nil in 2024, 2023 and 2022 (see Note 21).

Provision for impairment loss on input VAT amounted to ₱9.90 million, nil and nil in 2024, 2023 and 2022, respectively (see Notes 11 and 21).

As at December 31, 2024 and 2023, allowance for impairment loss on nonfinancial other noncurrent assets amounted to ₱152.99 million. (see Note 11).

*Estimation of Provision for Retirement Benefits*

The costs of defined retirement benefit 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 ₱61.05 million, ₱54.89 million and ₱64.16 million, in 2024, 2023 and 2022, respectively. Provision for retirement benefits amounted to ₱395.59 million and ₱373.39 million as at December 31, 2024 and 2023, respectively. Benefits paid in 2024 and 2023 amounted to ₱24.41 million and ₱38.79 million, respectively (see Note 14).

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 14.

*Estimation of Provision for Mine Rehabilitation and Decommissioning*

The Parent Company 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 parent company 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 3 years 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, ₱0.69 million, and ₱0.65 million in 2024, 2023 and 2022, respectively (see Notes 15 and 24). Gain on change in estimate of the provision for mine rehabilitation and decommissioning amounted to nil in 2024, 2023 and 2022, respectively. As at December 31, 2024 and 2023, the provision for mine rehabilitation and decommissioning amounted to ₱15.20 million and ₱14.48 million, respectively (see Note 15).

*Assessment on Provisions and Contingencies*

The Parent Company 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 Parent Company's defense in these matters and is based upon an analysis of potential results. The Parent Company 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 28).

*Assessment of Realizability of Deferred Income Tax Assets*

The Parent Company 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 income 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 Parent Company recognized deferred income tax assets 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 ₱115.48 million and ₱345.49 million, respectively (see Note 25).

#### 4. Cash and cash equivalents

	2024	2023
Cash on hand	<b>₱2,063,671</b>	₱1,857,886
Cash in banks	<b>2,720,713,572</b>	1,099,179,718
Short-term deposits	<b>8,612,240</b>	8,612,240
	<b>₱2,731,389,483</b>	₱1,109,649,844

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

Interest income arising from cash with banks amounted to ₱8.75 million, ₱12.04 million, and ₱3.06 million in 2024, 2023 and 2022, respectively (see Note 21).

The Parent Company has foreign currency-denominated cash amounting to US\$35.35 million and US\$10.30 million as at December 31, 2024 and 2023, respectively (see Note 26).

#### 5. Trade and Other Receivables

	2024	2023
Trade	<b>₱1,210,608,874</b>	₱820,935,588
Advances to officers and employees	<b>37,092,980</b>	51,378,649
Others	<b>27,564,698</b>	19,217,221
	<b>1,275,266,552</b>	891,531,458
Less allowance for ECL	<b>1,666,240</b>	1,666,240
	<b>₱1,273,600,312</b>	₱889,865,218

Trade receivables are noninterest-bearing and are generally on less than 15 days' terms. These are related to the gold and silver delivery agreements entered into by the Parent Company with Heraeus Limited (Heraeus), a refining company based in Hong Kong (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 allowance for ECL amounted to ₱1.67 million as at December 31, 2024 and 2023. The Parent Company did not recognize any additional provision or reversal in 2024 and 2023.

The Parent Company has foreign currency-denominated trade and other receivables amounting to US\$20.85 and US\$14.80 million as at December 31, 2024 and 2023, respectively (see Note 26).

## 6. Inventories

	2024	2023
Gold and silver bullions - at cost	<b>₱102,844,171</b>	₱220,895,713
Metal in circuit - at cost	<b>141,127,111</b>	77,400,552
Ore stockpile - at cost	<b>42,035,816</b>	27,278,931
Materials and supplies - at NRV	<b>845,571,058</b>	773,344,352
	<b>₱1,131,578,156</b>	₱1,098,919,548

Cost of inventories recognized as part of cost of production amounted to ₱2.61 billion, ₱1.84 billion, and ₱1.76 billion in 2024, 2023 and 2022 respectively (see Note 19).

Cost of materials and supplies recognized as part of general and administrative expense in 2024, 2023 and 2022 amounted to ₱3.44 million, ₱2.67 million, and ₱2.39 million, respectively (see Note 20).

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

	2024	2023
Beginning balances	<b>₱38,049,482</b>	₱74,017,961
Provision (Note 3)	<b>106,542,100</b>	—
Reversal (Note 3)	—	(35,968,479)
Ending balances	<b>₱144,591,582</b>	₱38,049,482

## 7. Prepayments and Other Current Assets

	2024	2023
Advances to suppliers and contractors	<b>₱274,511,221</b>	₱403,607,870
Prepayments	<b>31,969,261</b>	21,657,266
Others	<b>36,599,758</b>	56,216,651
	<b>₱343,080,240</b>	₱481,481,787

Advances to suppliers and contractors comprise mainly of advance payments made by the Parent Company 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 Parent Company's heavy equipment, vehicles, plant and employees.



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

## 8. Investment in Subsidiaries

	Nature of Business	% of Ownership		Country of Incorporation		
		2024	2023		2024	2023
<b>Subsidiaries:</b>						
MORE	Mining	100	100	Philippines	<b>₱5,122,161,087</b>	₱5,122,161,087
ISRI	Mining	100	100	Philippines	<b>426,238,126</b>	426,238,126
AAMRC	Mining	100	100	Philippines	<b>3,890,908,487</b>	3,890,908,487
					<b>₱9,439,307,700</b>	₱9,439,307,700

MORE holds various mining projects locally and abroad. It also has a 30% participating interest in a service contract for gas in the West Philippine Sea (Service Contract 72 covering the Sampaguita gas fields offshore northwest of Palawan), and a 52% equity in a solid-waste management company with a Build-Operate-Transfer Contract with the Philippine government.

The registered office address of MORE is at 3304B West Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City.

ISRI has two mining projects: the Sangilo mine, which commenced its commercial operations on July 31, 2020, located in Itogon, Benguet; and the Suyoc mine, which is undergoing resource validation, located in Mankayan, Benguet.

The registered office address of ISRI is at 3304D West Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City.

AAMRC has interest, by virtue of JOA with PMDC, over North Davao Project located in Maco, Mabini, Maragusan, Nabunturan and Mawab Municipalities, Davao De Oro. The project is currently under exploration and evaluation.

The registered office address of AAMRC is at 3304D West Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City.

### *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 Philippine Mining Development Corporation as the highest bidder for the Joint Operating Agreement 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 Financial and Technical Assistance Agreement (FTAA)-XI-14, for \$81.5 million where \$5.5 million is payable upon execution of the SPA and \$76 million shall be paid in 4 equal annual installments of \$19 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 of the as shareholder were transferred to the Parent Company from the Sellers. The Parent Company took control of AAMRC on the said date. The fair value of the consideration as at February 10, 2023, acquisition date, amounted to \$71.50 million or ₱3.89 billion

*Advances to AAMRC and Advances to Sellers*

In relation to the SPA, 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 (see Note 13).

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.

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

	In US\$	In PhP	In US\$	In PhP
Current	<b>US\$15,999,530</b>	<b>₱925,572,825</b>	US\$15,110,372	₱836,661,303
Noncurrent	<b>37,553,656</b>	<b>2,172,478,971</b>	54,340,106	3,008,811,659
	<b>US\$53,553,186</b>	<b>₱3,098,051,796</b>	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 25).



Below is the relevant financial information of MORE, ISRI and AAMRC:

<b>MORE and Subsidiaries</b>	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Current assets	<b>₱1,089,702,221</b>	₱1,231,564,406
Noncurrent assets	<b>2,457,654,029</b>	1,597,441,455
Current liabilities	<b>354,837,773</b>	307,160,273
Noncurrent liabilities	<b>4,749,017</b>	1,558,774
Equity	<b>3,187,769,460</b>	2,520,286,814
Cost and expenses	<b>(46,387,910)</b>	(17,975,554)
Other income (charges)	<b>(72,740,015)</b>	35,150,363
Net income (loss)	<b>(119,127,925)</b>	17,174,809
Other comprehensive income	–	22,011,127
Total comprehensive income (loss)	<b>(₱119,127,925)</b>	₱39,185,936

<b>ISRI</b>	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Current assets	<b>₱903,212,089</b>	₱404,764,108
Noncurrent assets	<b>2,275,896,962</b>	2,063,215,926
Current liabilities	<b>2,547,294,045</b>	1,853,142,535
Noncurrent liabilities	<b>220,225,766</b>	401,930,545
Equity	<b>411,589,240</b>	212,906,954
Revenue	<b>1,768,549,277</b>	1,378,766,891
Cost and expenses	<b>(1,314,185,888)</b>	(1,296,531,248)
Other income (expense)	<b>(92,077,918)</b>	15,010,419
Net income	<b>362,285,471</b>	97,246,062
Other comprehensive income	–	1,000,000
Total comprehensive income	<b>₱362,285,471</b>	₱98,246,062

<b>AAMRC</b>	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Current assets	<b>₱218,922,527</b>	₱70,125,977
Noncurrent assets	<b>2,017,602,986</b>	1,699,807,699
Current liabilities	<b>2,222,807,313</b>	1,756,215,476
Equity	<b>13,718,200</b>	13,718,200
Cost and expenses	–	(74,239,388)
Net income (loss)	–	(74,239,388)
Other comprehensive income	–	–
Total comprehensive income (loss)	<b>₱–</b>	(₱74,239,388)



## 9. 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
<b>At revalued amounts:</b>								
Balance at beginning of year	P448,497,318	P8,488,786,393	P826,072,270	P1,250,493,213	P702,277,765	P9,936,122,019	P1,360,733,804	P23,012,982,782
Additions	1,134,099	1,261,076,557	10,961,598	35,862,225	116,950,938	911,168,596	565,335,190	2,902,489,203
Capitalized borrowing cost (Note 16)	–	–	–	–	–	44,269,976	15,767,925	60,037,901
Capitalized depreciation (Note 22)	–	–	–	–	–	89,415,329	–	89,415,329
Reclassifications from construction in progress	30,646,939	182,153,314	183,990,837	99,890,295	6,635,199	–	(503,316,584)	–
Balances at end of year	480,278,356	9,932,016,264	1,021,024,705	1,386,245,733	825,863,902	10,980,975,920	1,438,520,335	26,064,925,215
<b>Accumulated depreciation and depletion:</b>								
Balances at beginning of year	211,775,837	5,671,955,761	655,819,398	851,456,878	391,961,087	4,036,364,158	–	11,819,333,119
Depreciation and depletion (Note 22)	26,746,101	795,137,835	56,184,817	67,890,739	81,353,054	167,212,543	–	1,194,525,089
Disposals and write-offs	–	–	–	–	–	–	–	–
Balances at end of year	238,521,938	6,467,093,596	712,004,215	919,347,617	473,314,141	4,203,576,701	–	13,013,858,208
<b>Allowance for impairment:</b>								
Balances at beginning and end of year	126,037	3,318,744	–	159,229,430	–	–	–	162,674,211
Net book values	P241,630,381	P3,461,603,924	P309,020,490	P307,668,686	P352,549,761	P6,777,399,219	P1,438,520,335	P12,888,392,796





	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:								
Balance at beginning of year	₱357,457,857	₱7,482,357,519	₱779,672,615	₱1,250,493,213	₱544,837,959	₱8,853,897,135	₱927,932,654	₱20,196,648,952
Additions	60,556,929	996,199,337	4,042,626	—	152,993,980	917,830,090	505,178,814	2,636,801,776
Capitalized borrowing cost (Note 16)	—	—	—	—	—	64,207,142	15,137,260	79,344,402
Capitalized depreciation (Note 22)	—	—	—	—	—	100,187,652	—	100,187,652
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	448,497,318	8,488,786,393	826,072,270	1,250,493,213	702,277,765	9,936,122,019	1,360,733,804	23,012,982,782
Accumulated depreciation and depletion:								
Balances at beginning of year	188,114,052	4,938,913,569	612,430,680	769,052,256	326,106,664	3,787,469,175	—	10,622,086,396
Depreciation and depletion (Note 22)	23,661,785	733,042,192	43,388,718	82,404,622	65,854,423	248,894,983	—	1,197,246,723
Disposals and write-offs	—	—	—	—	—	—	—	—
Balances at end of year	211,775,837	5,671,955,761	655,819,398	851,456,878	391,961,087	4,036,364,158	—	11,819,333,119
Allowance for impairment:								
Balances at beginning and end of year	126,037	3,318,744	—	159,229,430	—	—	—	162,674,211
Net book values	₱236,595,444	₱2,813,511,888	₱170,252,872	₱239,806,905	₱310,316,678	₱5,899,757,861	₱1,360,733,804	₱11,030,975,452



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	<b>₱190,678,742</b>	₱226,025,836
Realized portion through depreciation, net of tax (Note 17)	<b>(24,578,857)</b>	(35,347,094)
Balance at end of year	<b>₱166,099,885</b>	₱190,678,742

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
Cost:								
Balances at end of year	₱423,444,922	₱10,283,502,114	₱1,024,895,842	₱1,351,955,824	₱887,035,064	₱10,980,975,919	₱1,438,520,335	₱ 26,390,330,020
Accumulated depreciation and depletion:								
Balances at end of year	234,690,748	6,897,060,703	728,967,927	943,635,822	552,797,628	4,203,576,701	–	13,560,729,529
Allowance for impairment:								
Balances at end of year	126,037	3,318,744	–	159,229,430	–	–	–	162,674,211
Net Book Values	₱188,628,137	₱3,383,122,667	₱295,927,915	₱249,090,572	₱334,237,436	₱6,777,399,218	₱1,438,520,335	₱12,666,926,280
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
Cost:								
Balances at end of year	₱391,663,884	₱8,840,272,243	₱829,943,406	₱1,216,203,304	₱763,448,927	₱9,936,122,019	₱1,360,733,804	₱23,338,387,587
Accumulated depreciation and depletion:								
Balances at end of year	212,119,336	6,123,234,753	675,255,432	877,756,231	474,246,339	4,036,364,158	–	12,398,976,249
Allowance for impairment:								
Balances at end of year	126,037	3,318,744	–	159,229,430	–	–	–	162,674,211
Net Book Values	₱179,418,511	₱2,713,718,746	₱154,687,974	₱179,217,643	₱289,202,588	₱5,899,757,861	₱1,360,733,804	₱10,776,737,127



The cost of fully depreciated property, plant and equipment that are still being used amounted to ₱3.78 billion and ₱1.92 billion as at December 31, 2024 and 2023, respectively.

The Parent Company capitalized borrowing cost amounting to ₱15.77 million and ₱15.14 million for construction in-progress, ₱44.27 million and ₱64.21 million for mine and mining properties in 2024 and 2023, respectively. The rate used to determine the amount of borrowing costs eligible for capitalization was 6.51% and 6.41% in 2024 and 2023, (see Note 16).

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

	2024				
	Mine and mining properties	Mine development cost	Mine rehabilitation asset	Mine rehabilitation asset - PPE	Total
<b>Cost:</b>					
Balances at beginning of year	₱5,773,658,454	₱4,137,163,616	₱23,509,181	₱1,790,769	₱9,936,122,020
Additions	—	911,168,595	—	—	911,168,595
Transfers	516,667,611	(516,667,611)	—	—	—
Capitalized depreciation (Note 22)	—	89,415,329	—	—	89,415,329
Capitalized borrowing cost (Note 16)	—	44,269,976	—	—	44,269,976
<b>Balances at end of year</b>	<b>6,290,326,065</b>	<b>4,665,349,905</b>	<b>23,509,181</b>	<b>1,790,769</b>	<b>10,980,975,920</b>
<b>Accumulated depletion:</b>					
Balances at beginning of year	4,011,064,208	—	23,509,181	1,790,769	4,036,364,158
Depletion (Note 3)	167,212,543	—	—	—	167,212,543
<b>Balances at end of year</b>	<b>4,178,276,751</b>	<b>—</b>	<b>23,509,181</b>	<b>1,790,769</b>	<b>4,203,576,701</b>
<b>Net book values</b>	<b>₱2,112,049,314</b>	<b>₱ 4,665,349,905</b>	<b>₱—</b>	<b>₱—</b>	<b>₱6,777,399,219</b>

	2023				
	Mine and mining properties	Mine development cost	Mine rehabilitation asset	Mine rehabilitation asset - PPE	Total
<b>Cost:</b>					
Balances at beginning of year	₱5,715,565,497	₱3,113,031,688	₱23,509,181	₱1,790,769	₱8,853,897,135
Additions	—	917,830,090	—	—	917,830,090
Transfers	58,092,957	(58,092,957)	—	—	—
Capitalized depreciation (Note 22)	—	100,187,652	—	—	100,187,652
Capitalized Borrowings (Note 16)	—	64,207,142	—	—	64,207,142
<b>Balances at end of year</b>	<b>5,773,658,454</b>	<b>4,137,163,615</b>	<b>23,509,181</b>	<b>1,790,769</b>	<b>9,936,122,019</b>
<b>Accumulated depletion:</b>					
Balances at beginning of year	3,762,169,225	—	23,509,181	1,790,769	3,787,469,175
Depletion (Note 3)	248,894,983	—	—	—	248,894,983
<b>Balances at end of year</b>	<b>4,011,064,208</b>	<b>—</b>	<b>23,509,181</b>	<b>1,790,769</b>	<b>4,036,364,158</b>
<b>Net book values</b>	<b>₱1,762,594,246</b>	<b>₱4,137,163,615</b>	<b>₱—</b>	<b>₱—</b>	<b>₱5,899,757,861</b>

The Parent Company's asset retirement obligation (ARO) pertaining to mine rehabilitation assets have been fully depleted as at December 31, 2024 and 2023.

## 10. Deferred Exploration Costs

	2024	2023
Balances at beginning of year	₱1,800,969,734	₱1,512,994,463
Additions	368,801,346	287,975,271
Transfers (Note 9)	(176,135,572)	—
<b>Balances at end of year</b>	<b>₱1,993,635,508</b>	<b>₱1,800,969,734</b>



Deferred exploration costs consist of expenditures related to the exploration activities covered by the Parent Company'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.

The Parent Company transferred exploration costs to mine development costs amounting to ₱176.14 million and nil in 2024 and 2023, respectively.

## 11. Other Noncurrent Assets

	2024	2023
Input VAT	<b>₱1,211,530,022</b>	₱1,119,878,002
Deposits	<b>43,606,224</b>	43,552,546
MRF	<b>28,298,187</b>	28,539,254
Mining software	<b>16,083,220</b>	15,985,565
	<b>1,299,517,653</b>	1,207,955,367
Less: allowance for impairment loss	<b>152,994,868</b>	143,098,681
	<b>₱1,146,522,785</b>	₱1,064,856,686

### *Input VAT*

Input VAT represents VAT imposed on the Parent Company by its suppliers for the acquisition of goods and services, which the Parent Company applies for cash refund by regulatory agencies. The Parent Company recognized impairment loss on input VAT amounting to ₱9.90 million, nil and nil in 2024, 2023 and 2022, respectively (Note 21).

### *Deposits*

Deposits pertain to security deposits for the use of the leases of equipment and office space rentals, which are recoverable through application against final billings from lessors. Deposits also include security deposits made to power suppliers of the Maco mine.

### *MRF*

As at December 31, 2024 and 2023, the Parent Company maintains MRFs consisting of monitoring trust, rehabilitation cash, environmental trust, and final rehabilitation and decommissioning 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.



*Mining software*

Mining software consists of acquired computer software licenses and is capitalized on the basis of the costs incurred to acquire and bring to use the said software. Movement of software for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Cost:		
Balances at beginning of year	<b>₱85,061,731</b>	₱81,177,068
Additions	<b>10,913,786</b>	3,884,663
	<b>95,975,517</b>	85,061,731
Accumulated amortization:		
Balances at beginning of year	<b>69,076,166</b>	59,336,170
Amortization (Note 22)	<b>10,816,131</b>	9,739,996
	<b>79,892,297</b>	69,076,166
Net book values	<b>₱16,083,220</b>	₱15,985,565

## 12. Trade and Other Payables

	2024	2023
Trade	<b>₱718,803,143</b>	₱777,130,362
Nontrade	<b>323,907,205</b>	315,397,521
Accrued expenses	<b>168,350,166</b>	152,667,858
Accrued employee benefits	<b>110,371,387</b>	106,383,354
Payables to government agencies	<b>93,790,230</b>	58,472,516
Dividends payable (Note 17)	<b>59,437,064</b>	50,627,881
Retention payable	<b>13,279,920</b>	12,081,262
Others	<b>16,236,104</b>	35,702,524
	<b>₱1,504,175,219</b>	₱1,508,463,278

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 28), and other payables that are incurred outside the Parent Company's operations.

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

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

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

Dividends payable refers to dividends declared but not yet paid/claimed by the stockholders (see Note 17).

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



Other payables pertain to accrued interest and short-term cash advances by the Parent Company necessary to support its operations.

### 13. 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 Parent Company, including holding companies and subsidiaries, are related parties of the Parent Company. Associates and individuals owning, directly or indirectly, voting power that gives them significant influence over the Parent Company, 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 are as follows:

Category	Relationship with the Company	Year	Volume/ Amount	Outstanding Balance	Terms	Conditions
Cash advances to:						
<i>ISRI</i>	Subsidiary	2024 2023	<b>₱ 217,946,607</b> ₱242,713,721	<b>₱1,820,980,861</b> ₱1,603,026,754	Due and demandable	Unsecured, Unguaranteed
<i>AAMRC</i>	Subsidiary	2024 2023	<b>384,642,821</b> 1,750,418,693	<b>2,135,061,514</b> 1,750,418,693	Due and demandable	Unsecured, Unguaranteed
<i>Coral Resources Philippines, Inc. (CRPI)</i>	Indirect Subsidiary	2024 2023	<b>1,219,224</b> 45,140,463	<b>264,000,584</b> 262,787,549	Due and demandable	Unsecured, Unguaranteed
<i>Bulawan Mineral Resources Corp. (BMRC)</i>	Indirect Subsidiary	2024 2023	— —	<b>5,308,816</b> 5,308,816	Due and demandable	Unsecured, Unguaranteed
<b>2024</b>			<b>₱603,808,653</b>	<b>₱4,225,351,775</b>		
<b>2023</b>			<b>₱2,038,272,877</b>	<b>₱3,621,541,812</b>		

Category	Relationship with the Company	Year	Volume/ Amount	Outstanding Balance	Terms	Conditions
Cash advances from:						
<i>MORE</i>	Subsidiary	2024 2023	<b>₱—</b> ₱118,500,903	<b>₱577,097,087</b> ₱592,382,987	Due and demandable	Unsecured, Unguaranteed
<i>Prime Strategic Holdings, Inc. (PSHI)</i>	Stockholder	2024 2023	— —	<b>374,858,012</b> 916,012,000	Due and demandable	Unsecured, Unguaranteed
<b>2024</b>			<b>—</b>	<b>₱951,955,099</b>		
<b>2023</b>			<b>₱118,500,903</b>	<b>₱1,508,394,987</b>		

- Advances from MORE pertain to funds obtained by the Parent Company for its working capital requirements.
- Advances from PSHI (formerly known as Prime Metroline Holdings, Inc) pertain to advances obtained by the Parent Company 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 Parent Company's total consolidated assets based on its latest audited financial statements.

#### Trustee Bank

The Parent Company's retirement fund is being held by a trustee bank. The carrying amounts of the Parent Company's retirement fund as at December 31, 2024 and 2023 amounted to ₱16.07 million and ₱15.06 million, respectively, while the fair values amounted to ₱16.85 million and ₱16.07 million, respectively.

The Company'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 (see Note 14). There were no transactions made between the Parent Company and the retirement fund in both years.

#### Compensation of Key Management Personnel

The Parent Company 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, ₱16.9 million in 2024 and 2023, respectively. The Parent Company paid salaries and other short-term benefits to key management personnel amounting to ₱94.01 million, ₱89.70 million, and ₱88.82 million in 2024, 2023 and 2022, respectively.

---

## 14. Provision for Retirement Benefits

The Parent Company 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 statements of comprehensive income and parent company statements of financial position, respectively.

The details of retirement benefits costs follow:

	2024	2023	2022
Current service cost (Note 23)	₱41,341,714	₱36,220,357	₱50,311,628
Interest cost - net (Note 24)	19,712,112	18,669,804	13,851,257
	₱61,053,826	₱54,890,161	₱64,162,885





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

<b>2024</b>	<b>Defined benefits liability</b>	<b>Fair value of plan assets</b>	<b>Net defined benefits liability</b>
<b>At January 1</b>	<b>₱389,459,206</b>	<b>₱16,072,920</b>	<b>₱373,386,286</b>
Net interest (Note 24)	21,923,905	2,211,793	19,712,112
Current service cost (Note 23)	41,341,714	—	41,341,714
Benefits paid from book reserve	(24,411,839)	—	(24,411,839)
<b>Remeasurement of actuarial losses (gains):</b>			
Experience	(16,275,787)	—	(16,275,787)
Changes in financial assumptions	396,298	—	396,298
Remeasurement loss - return on plan assets	—	(1,439,545)	1,439,545
	<b>(15,879,489)</b>	<b>(1,439,545)</b>	<b>(14,439,944)</b>
<b>At December 31</b>	<b>₱412,433,497</b>	<b>₱16,845,168</b>	<b>₱395,588,329</b>

<b>2023</b>	<b>Defined benefits liability</b>	<b>Fair value of plan assets</b>	<b>Net defined benefits liability</b>
<b>At January 1</b>	<b>₱318,380,001</b>	<b>₱15,058,607</b>	<b>₱303,321,394</b>
Net interest (Note 24)	20,658,864	1,989,060	18,669,804
Current service cost (Note 23)	36,220,357	—	36,220,357
Benefits paid from book reserve	(38,788,642)	—	(38,788,642)
<b>Remeasurement of actuarial losses (gains):</b>			
Experience	16,078,365	—	16,078,365
Changes in financial assumptions	36,910,261	—	36,910,261
Remeasurement gain - return on plan assets	—	(974,747)	974,747
	<b>52,988,626</b>	<b>(974,747)</b>	<b>53,963,373</b>
<b>At December 31</b>	<b>₱389,459,206</b>	<b>₱16,072,920</b>	<b>₱373,386,286</b>

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

	<b>2024</b>	<b>2023</b>
<b>At January 1</b>	<b>₱16,640,756</b>	<b>₱57,113,285</b>
Actuarial gain (loss) - defined benefit obligation	<b>15,879,489</b>	(52,988,626)
Remeasurement loss - plant asset	<b>(1,439,545)</b>	(974,747)
Income tax effect	<b>(3,609,986)</b>	13,490,844
<b>At December 31</b>	<b>₱27,470,714</b>	<b>₱16,640,756</b>

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

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



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%	6.11%
Salary increase rate	5.00%	5.00%
Expected average remaining life	12.0	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% (5.10%)	(P34,302,116) 40,153,126
	Increase (decrease)	2023
Discount rates	7.11% (5.11%)	(P32,603,403) 38,214,992
	Increase (decrease)	2024
Salary increase rate	6.00% (4.00%)	P42,253,736 (36,672,610)
	Increase (decrease)	2023
Salary increase rate	6.00% (4.00%)	P40,196,741 (34,842,153)

The latest available actuarial valuation report of the Parent Company dated in March 14, 2025 represents 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 year	P65,442,734	P60,298,206
More than one year to five years	131,561,993	130,114,259
More than five years to 10 years	299,620,551	219,792,978
	P496,625,278	P410,205,443



## 15. Provision for Mine Rehabilitation and Decommissioning

The Parent Company's full provision for the future costs of rehabilitating the Maco mine are as follows:

	2024	2023
Balance at beginning of year	<b>₱14,482,256</b>	₱13,794,806
Accretion (Note 24)	<b>721,709</b>	687,450
Balance at end of year	<b>₱15,203,965</b>	₱14,482,256

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 3 years 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%. There is no change in mine life and discount rate in 2024 and 2023.

## 16. Loans Payable

	2024	2023
Philippine National Bank (PNB)	<b>₱2,731,888,376</b>	₱1,474,235,261
Bank of Commerce (BOC)	<b>1,966,730,000</b>	1,882,580,000
Rizal Commercial Banking Corporation (RCBC)	<b>1,500,000,000</b>	900,000,000
Union Bank of the Philippines (UBP)	<b>575,002,438</b>	434,324,494
	<b>6,773,620,814</b>	4,691,139,755
Less current portion	<b>2,337,650,749</b>	3,925,082,171
Noncurrent portion	<b>₱4,435,970,065</b>	₱766,057,584

### PNB

PNB has granted the Company 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 and increase of the Credit Facilities to ₱2.00 billion with a new expiry date of July 31, 2024.

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.

- On October 24, 2017, another unsecured Term Loan Facility of up to ₱2.50 billion with tenor of seven 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, Parent Company drew the first and second tranches, respectively, amounting to ₱500.0 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 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.

- 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. These new loans include covenants identical to those of previous PNB loan. 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 unsecured 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. 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 Parent Company's availment and payment of loans and equipment financing as at December 31, 2024 and 2023 are as follows:

	2024		2023	
	Availment	Payment	Availment	Payment
PNB	₱1,966,730,000	₱809,076,883	₱—	₱619,791,169
BOC	3,037,095,000	2,840,221,883	—	—
RCBC	600,000,000	—	—	—
UBP	254,518,000	130,606,807	—	101,516,701
	<b>₱5,858,343,000</b>	<b>₱3,779,905,574</b>	<b>₱—</b>	<b>₱721,307,870</b>



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

	2024	2023
PNB	<b>₱61,399,116</b>	₱124,438,136
BOC	<b>263,866,817</b>	193,731,451
RCBC	<b>30,627,610</b>	61,200,000
UBP	<b>73,168,333</b>	32,350,118
	<b>429,061,876</b>	411,719,705
Capitalized borrowing costs (Note 9)	<b>(60,037,901)</b>	(79,344,402)
Interest on loans payable (Note 24)	<b>₱369,023,975</b>	₱332,375,303

The Parent Company capitalized borrowing costs related to construction in-progress and mine development cost amounting to ₱60.04 million and ₱79.34 million in 2024 and 2023, respectively. The rate used to determine the amount of borrowing costs eligible for capitalization was 6.51% in 2024 and 6.50% in 2023 (see Note 9).

## 17. Capital Stock

### 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

(Forward)



SEC ordered rendered effective or permitted to sell	Event	Authorized capital stock balance	Issued shares	Issue/offer price
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
<b>Issued and outstanding shares at beginning and end of year</b>	<b>6,227,887,491</b>	<b>₱6,227,887,491</b>	6,227,887,491	₱6,227,887,491

#### APIC

The balance at the beginning and end of 2024 and 2023 amounted to ₱15.94 million.

#### Retained earnings

Movement in the retained earnings is as follows:

	2024	2023
Balance at beginning of year	₱11,921,803,604	₱8,718,168,069
Net income	4,332,526,162	3,502,233,996
Dividends	(507,155,562)	(333,945,555)
Realization of revaluation surplus (Note 9)	24,578,857	35,347,094
<b>Balance at end of year</b>	<b>₱15,771,753,061</b>	<b>₱11,921,803,604</b>



### Dividends

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 12).

On April 15, 2024, the Parent Company declared a regular and special cash dividends amounting to ₱507.16 million equivalent to ₱0.054155 and ₱0.027278 per common share, respectively. From the cash dividend declared, ₱444.72 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 12).

## 18. 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 and 2023 are as follows:

	2024	2023
Net income shown in the parent company statements of income	<b>₱4,332,526,162</b>	₱3,502,233,996
Weighted average number of common shares for basic and diluted earnings per share	<b>6,227,887,491</b>	6,227,887,491
Basic and diluted earnings per share	<b>₱0.70</b>	₱0.56

## 19. Cost of Production

	2024	2023	2022
Materials and supplies (Note 6)	<b>₱2,611,864,134</b>	₱1,840,796,540	₱1,756,806,888
Depreciation, depletion and amortization (Note 22)	<b>1,105,109,760</b>	1,097,059,071	1,092,338,236
Personnel costs (Note 23)	<b>871,995,766</b>	737,317,502	673,635,750
Contracted services	<b>545,757,101</b>	433,577,571	397,039,449
Utilities	<b>533,946,403</b>	427,120,870	307,884,668
Taxes, permits, and licenses	<b>177,193,716</b>	156,661,013	113,361,650
Community development expenses	<b>166,169,593</b>	84,906,605	71,382,088
Surface rights to indigenous people (IP) (Note 28)	<b>134,436,609</b>	104,868,172	93,814,724
Bullion refining and transportation charges	<b>85,051,163</b>	85,907,531	87,735,499
Royalties to IP (Note 28)	<b>63,088,308</b>	48,332,964	44,903,380
Repairs and maintenance	<b>36,977,273</b>	11,505,714	5,452,454
Data and communication	<b>34,178,501</b>	24,958,815	14,302,694
Insurance	<b>31,466,490</b>	30,419,903	53,664,284

(Forward)





	2024	2023	2022
Employee activities	<b>₱13,217,993</b>	₱7,667,753	₱7,808,151
Professional fees	<b>10,260,215</b>	16,882,689	13,749,932
Transportation and accommodation	<b>10,078,847</b>	7,125,389	4,653,010
Donations and contributions	<b>3,180,548</b>	7,806,024	3,294,313
Rent (Note 28)	<b>2,976,116</b>	10,547,817	2,691,566
Representation and entertainment	<b>1,658,893</b>	692,564	1,106,990
	<b>₱6,438,607,429</b>	₱5,134,154,507	₱4,745,625,726

The amounts were distributed as follows:

	2024	2023	2022
Mining	<b>₱2,302,745,429</b>	₱1,587,235,410	₱1,443,686,082
Milling	<b>1,070,147,790</b>	920,982,850	802,252,452
Compliance	<b>715,478,229</b>	534,036,193	428,169,649
Mine overhead	<b>2,350,235,981</b>	2,091,900,054	2,071,517,543
	<b>₱6,438,607,429</b>	₱5,134,154,507	₱4,745,625,726

## 20. General and Administrative Expenses

	2024	2023	2022
Taxes, licenses, and permits	<b>₱114,595,955</b>	20,154,357	26,921,293
Personnel costs (Note 23)	<b>82,516,290</b>	37,138,645	48,574,890
Professional fees	<b>56,580,767</b>	₱43,591,124	₱35,102,405
Contracted services	<b>27,163,167</b>	4,853,178	3,080,557
Depreciation and amortization (Note 22)	<b>10,816,130</b>	9,739,996	6,953,835
Rent (Note 28)	<b>7,356,677</b>	5,453,351	4,986,839
Transportation and accommodation	<b>4,642,702</b>	5,496,161	4,997,913
Repairs and maintenance	<b>4,448,654</b>	252,137	1,054,777
Insurance	<b>4,029,108</b>	907,263	1,546,986
Materials and supplies (Note 6)	<b>3,439,985</b>	2,670,350	2,390,715
Representation and entertainment	<b>2,597,594</b>	1,810,594	2,466,848
Utilities	<b>2,424,776</b>	2,236,375	1,490,862
Donations and contributions	<b>2,317,189</b>	1,463,103	1,532,490
Bank Charges	<b>2,288,643</b>	16,254,414	3,715,085
Employee activities	<b>1,646,125</b>	3,638,784	1,942,963
Data and communication	<b>1,560,091</b>	1,230,222	840,124
Others	<b>3,706,373</b>	3,275,969	2,149,215
	<b>₱332,130,226</b>	₱160,166,023	₱149,747,797

Other expenses pertain to freight and handling, bank charges, promotion and advertisement, and miscellaneous expenses.



## 21. Other Charges - net

	2024	2023	2022
Foreign exchange loss - net	(P221,155,751)	(P44,333,781)	(P11,672,754)
Provision for impairment of input VAT (Note 11)	(9,896,187)	—	—
Interest income (Note 4)	8,746,217	12,037,669	3,057,501
Provision for tax losses	—	(171,414,746)	(65,997,927)
Gain (loss) on disposal of fixed asset (Note 9)	—	—	(316,444)
Miscellaneous	—	328	—
	<b>(P222,305,721)</b>	<b>(P203,710,530)</b>	<b>(P74,929,624)</b>

## 22. Depreciation, Depletion and Amortization

	2024	2023	2022
Property, plant and equipment (Note 9)	<b>P1,105,109,760</b>	P1,097,059,071	P1,092,338,236
Other noncurrent assets (Note 11)	<b>10,816,131</b>	9,739,996	6,953,835
	<b>P1,115,925,891</b>	<b>P1,106,799,067</b>	<b>P1,099,292,071</b>

The amounts were distributed as follows:

	2024	2023	2022
Cost of production (Note 19)	<b>P1,105,109,760</b>	P1,097,059,071	P1,092,338,236
General and administrative expenses (Note 20)	<b>10,816,131</b>	9,739,996	6,953,835
	<b>P1,115,925,891</b>	<b>P1,106,799,067</b>	<b>P1,099,292,071</b>

The Parent Company capitalized depreciation, depletion, and amortization costs amounting to P89.42 million and P100.19 million as part of mine development costs in 2024 and 2023, respectively (Note 9).

## 23. Personnel Costs

	2024	2023	2022
Salaries and wages	<b>P913,170,342</b>	P738,235,790	P671,899,012
Retirement benefits cost (Note 14)	<b>41,341,714</b>	36,220,357	50,311,628
	<b>P954,512,056</b>	<b>P774,456,147</b>	<b>P722,210,640</b>

The amounts were distributed as follows:

	2024	2023	2022
Cost of production (Note 19)	<b>P871,995,766</b>	P737,317,502	P673,635,750
General and administrative expenses (Note 20)	<b>82,516,290</b>	37,138,645	48,574,890
	<b>P954,512,056</b>	<b>P774,456,147</b>	<b>P722,210,640</b>



## 24. Finance Costs

	2024	2023	2022
Interest on loans payable (Note 16)	<b>₱369,023,975</b>	₱332,375,303	₱144,474,472
Accretion of financial liability (Note 8)	<b>178,972,403</b>	191,342,327	—
Net interest cost on retirement benefits (Note 14)	<b>19,712,112</b>	18,669,804	13,851,257
Accretion expense of provision for mine rehabilitation and decommissioning (Note 15)	<b>721,709</b>	687,450	654,818
	<b>₱568,430,199</b>	₱543,074,884	₱158,980,547

## 25. Income Taxes

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.

The Parent Company's provision for income tax in 2024, 2023 and 2022 is presented below. The provision for current income tax in 2024, 2023 and 2022 pertains to RCIT.

	2024	2023	2022
Current	<b>(₱992,934,556)</b>	(₱775,964,900)	(₱699,216,822)
Deferred	<b>60,249,368</b>	46,682,822	7,940,256
	<b>(₱932,685,188)</b>	(₱729,282,078)	(₱691,276,566)

Reconciliation between the provision for income tax computed at the statutory income tax rate and the provision for income tax as shown in the parent company statements of income follows:

	2024	2023	2022
Provision for income tax computed at statutory income tax rate of 25%	<b>(₱1,316,302,837)</b>	(₱1,057,879,019)	(₱999,208,006)
Difference between OSD and itemized deduction	<b>661,823,615</b>	515,756,174	456,492,633
Add (deduct) tax effects of:			
Nondeductible expense	<b>(251,282,947)</b>	(159,190,224)	(126,453,531)
Changes in unrecognized deferred income tax assets	<b>(29,109,572)</b>	8,992,120	(8,651,168)
Interest income subjected to final tax	<b>2,186,553</b>	3,009,417	764,375
Provision for tax losses	—	(39,970,546)	(14,220,869)
Provision for income tax	<b>(₱932,685,188)</b>	(₱729,282,078)	(₱691,276,566)



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

	2024	2023
Allowance for impairment losses on:		
Property, plant and equipment	<b>₱40,668,553</b>	₱162,674,211
Input VAT	<b>38,248,717</b>	143,098,681
Inventory losses and obsolescence	<b>36,147,896</b>	38,049,482
Receivables	<b>416,560</b>	1,666,240
	<b>₱115,481,726</b>	₱345,488,614

The Parent Company 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	<b>₱98,897,082</b>	₱93,346,572
Unrealized foreign exchange loss	<b>86,145,457</b>	40,223,330
Provision for mine rehabilitation and decommissioning cost	<b>3,800,991</b>	3,620,564
	<b>188,843,530</b>	137,190,466
Deferred income tax liabilities:		
Unrealized foreign exchange gain	<b>(30,331,680)</b>	(27,125,046)
Revaluation surplus on property, plant and equipment	<b>(55,366,629)</b>	(63,559,580)
	<b>(85,698,309)</b>	(90,684,626)
Net deferred income tax assets (liabilities)	<b>₱103,145,221</b>	₱46,505,840

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 takes 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 Parent Company:

- Effective July 1, 2020, regular corporate income tax (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
- Minimum corporate income tax (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.



## 26. Financial Risk Management Objectives and Policies, and Capital Management

### Financial Risk Management Objectives and Policies

The Parent Company's financial instruments consist mainly of cash with banks, receivables, trade and other payables, which arise directly from its operations, advances to and from related parties, MRF classified under "Other noncurrent assets", financial liability and loans payable. The main purpose of these financial instruments is to raise funds and maintain continuity of funding and financial flexibility for the Parent Company.

The main risks arising from the Parent Company's financial instruments are credit risk, liquidity risk, and 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 Parent Company has a concentration of credit risk on its trade receivables, included as part of trade and other receivables, as it has only one 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 highly traded commodities that has a readily available market.

The maximum exposure to credit risk of the Parent Company's financial assets (cash with bank, trade and other receivables, advances to related parties and MRF classified under "other current assets") is equal to the carrying amounts of the said financial assets as at December 31, 2024 and 2023.

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

#### *Credit risk under general and simplified approach*

	2024				Total
	General Approach			Simplified Approach	
	Stage 1	Stage 2	Stage 3		
Cash and cash equivalents					
Cash with banks	₱2,720,713,572	₱—	₱—	₱—	₱2,720,713,572
Short-term deposit	8,612,240	—	—	—	8,612,240
Receivables:					
Trade	1,210,608,874	—	—	—	1,210,608,874
Others	25,898,458	—	1,666,240	—	27,564,698
Advance to related parties	4,225,351,775	—	—	—	4,225,351,775
MRF classified under “Other noncurrent assets”	28,298,187	—	—	—	28,298,187
	₱8,219,483,106	₱—	₱1,666,240	₱—	₱8,221,149,346



	2023				Total
	General Approach			Simplified Approach	
	Stage 1	Stage 2	Stage 3		
Cash and cash equivalents					
Cash with banks	₱1,099,179,718	₱—	₱—	₱—	₱1,099,179,718
Short-term deposit	8,612,240	—	—	—	8,612,240
Receivables:					
Trade	820,935,588	—	—	—	820,935,588
Others	17,550,981	—	1,666,240	—	19,217,221
Advance to related parties	3,621,541,812	—	—	—	3,621,541,812
MRF classified under “Other noncurrent assets”	28,539,254	—	—	—	28,539,254
	₱5,596,359,593	₱—	₱1,666,240	₱—	₱5,598,025,833

### Liquidity Risk

Liquidity risk is the risk that Parent Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Parent Company manages its liquidity based on business needs, tax, capital, or regulatory considerations, if applicable, in order to maintain flexibility.

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

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

2024	Total	On demand	Less than three months	Three to 12 months	More than 12 months
Trade and other payables					
Trade	₱718,803,143	₱718,803,143	₱—	₱—	₱—
Nontrade	323,907,205	323,907,205	—	—	—
Accrued expenses	168,350,166	168,350,166	—	—	—
Payable to employees	110,371,387	110,371,387	—	—	—
Retention fees	13,279,920	13,279,920	—	—	—
Dividends payable	59,437,064	59,437,064	—	—	—
Others	16,236,104	16,236,104	—	—	—
Financial liability	3,098,051,796	—	925,572,825	—	2,172,478,971
Advances from related parties	951,955,099	951,955,099	—	—	—
Loans payable	6,773,620,814	—	1,220,484,437	1,117,166,312	4,435,970,065
	₱12,234,012,698	₱2,362,340,088	₱2,146,057,262	₱1,117,166,312	₱6,608,449,036

2024	Total	On demand	Less than three months	Three to 12 months	More than 12 months
Cash and cash equivalents					
Cash on hand	₱2,063,671	₱2,063,671	₱—	₱—	₱—
Cash in banks	2,720,713,572	2,720,713,572	—	—	—
Short term deposits	8,612,240	8,612,240	—	—	—
Trade and other receivables					
Trade	1,210,608,874	1,210,608,874	—	—	—
Others	27,564,698	25,898,458	—	—	—
Advances to related parties	4,225,351,775	4,225,351,775	—	—	—
MRF classified under “Other noncurrent assets”	28,298,187	28,298,187	—	—	—
	₱8,223,213,017	₱8,221,546,777	₱—	₱—	₱—



2023	Total	On demand	Less than three months	Three to 12 months	More than 12 months
Trade and other payables					
Trade	P777,130,362	P777,130,362	P—	P—	P—
Nontrade	315,397,521	315,397,521	—	—	—
Accrued expenses	152,667,858	152,667,858	—	—	—
Payable to employees	106,383,354	106,383,354	—	—	—
Retention fees	12,081,262	12,081,262	—	—	—
Dividends payable	50,627,881	50,627,881	—	—	—
Others	35,702,524	35,702,524	—	—	—
Financial liability	3,845,472,962	—	836,661,303	—	3,008,811,659
Advances from related parties	1,508,394,987	1,508,394,987	—	—	—
Loans payable	4,691,139,755	—	3,244,299,740	680,782,431	766,057,584
	P11,494,998,466	P2,958,385,749	P4,080,961,043	P680,782,431	P3,774,869,243

2023	Total	On demand	Less than three months	Three to 12 months	More than 12 months
Cash and cash equivalents					
Cash on hand	P1,857,886	P1,857,886	P—	P—	P—
Cash in banks	1,099,179,718	1,099,179,718	—	—	—
Short term deposits	8,612,240	8,612,240	—	—	—
Trade and other receivables					
Trade	820,935,588	820,935,588	—	—	—
Others	19,217,221	17,550,981	—	—	1,666,240
Advances to related parties	3,621,541,812	3,621,541,812	—	—	—
MRF classified under “Other noncurrent assets”	28,539,254	28,539,254	—	—	—
	P5,599,883,719	P5,598,217,479	P—	P—	P1,666,240

### Foreign Currency Risk

The Parent Company 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 Parent Company’s functional currency.

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

The Parent Company’s foreign currency-denominated financial instruments as at December 31, 2024 and 2023 are as follows:

	2024		2023	
	US\$	Php	US\$	Php
<b>Financial Assets</b>				
Cash and cash equivalents	\$35,349,953	P2,044,994,781	\$10,297,964	P570,198,267
Trade receivables	20,845,261	1,205,898,349	14,804,972	819,751,300
	56,195,214	3,250,893,130	25,102,936	1,389,949,567
<b>Financial Liability</b>				
Trade payables	3,021,102	174,770,735	23,617,785	1,307,716,755
Loans payable	10,931,840	632,406,944	41,844,040	2,316,904,495
Financial liability	55,470,936	3,208,993,669	69,450,478	3,845,472,967
	69,423,878	4,016,171,348	134,912,303	7,470,094,217
<b>Net financial liability</b>	<b>(\$13,228,664)</b>	<b>(P765,278,218)</b>	<b>(\$109,809,367)</b>	<b>(P6,080,144,650)</b>

As at December 31, 2024 and 2023, the closing exchange rates based on the Bankers Association of the Philippines peso to US\$1.00 were P57.85 and P55.37, respectively.



The sensitivity to a reasonable possible change in the US\$ exchange rate, with all other variables held constant, of the Parent Company's income (loss) 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	Effect in income (loss) before tax
US\$	<b>2024</b>	<b>₱0.68</b> <b>(0.79)</b>	<b>(₱8,952,650)</b> <b>10,443,992</b>
	2023	₱0.69 (0.56)	(₱75,891,214) 61,161,999

There is no other impact on the Parent Company's equity other than those already affecting the parent company statements of comprehensive income.

#### *Commodity Price Risk*

The Parent Company is exposed to the risk of fluctuations in prevailing market commodity prices on the gold and silver it produces. The Parent Company'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 as more favorable to the Parent Company.

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

	Change in gold metal price	Effect on income (loss) before tax
<b>2024</b>	<b>Increase by 14%</b> <b>Decrease by 14%</b>	<b>₱1,792,919,373</b> <b>(1,792,919,373)</b>
2023	Increase by 13% Decrease by 13%	₱1,332,216,710 (1,332,216,710)

#### Capital Management

The primary objective of the Parent Company'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 Parent Company's shares, requisites for actual listing and trading of additional shares, if any, and required minimum debt to base equity ratio for the Parent Company's loan covenants. Capital pertains to equity, excluding reserve from revaluation of property, plant and equipment, and advances from related parties.

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





The Parent Company considers the following as its core economic capital:

	2024	2023
Capital stock	<b>₱6,227,887,491</b>	₱6,227,887,491
APIC	<b>15,941,675</b>	15,941,675
Retaining earnings	<b>15,771,753,061</b>	11,921,803,604
	<b>₱22,015,582,227</b>	₱18,165,632,770

The Parent Company has no externally imposed capital requirements.

## 27. Fair Value Measurements

### *Property, Plant, and Equipment*

The fair value of property and equipment is calculated using the direct income capitalization method, which results in measurements being classified as Level 3 in the fair value hierarchy.

	Date of Valuation	Total	Fair Value Measurement		
			Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>Property, plant, and equipment</i>	<b>2024</b>	<b>₱12,888,392,796</b>	<b>₱—</b>	<b>₱—</b>	<b>₱12,888,392,796</b>
(Note 9)	2023	₱11,030,975,452	₱—	₱—	₱11,030,975,452

### *Cash and Cash Equivalents, Trade and Other Receivables, Advances to Related Parties, Trade and Other Payables, Accrued Liabilities, Payable to Employees, Retention Fees, and Advances from Stockholders*

The carrying amounts of these financial instruments approximate their fair values due to their short-term nature and maturities.

### *MRF classified under “Other Noncurrent Assets”, Financial Liability and Loans Payable*

The carrying amounts of these financial instruments approximate their fair values. The effect of discounting on these financial instruments is not considered significant.

## 28. Significant Agreements, Provisions and Contingencies

### *Agreement 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 19).



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 19).

*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 ₱10.33 million, ₱16.00 million, and ₱7.68 million in 2024, 2023 and 2022, respectively (see Notes 19 and 20).

*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.

## 29. Operating Segments

The Parent Company has only one operating segment which is the mining business. There is no geographical segment since its business is located in the Philippines.

## 30. Earnings before Interests, Taxes, Depreciation, Depletion and Amortization (EBITDA)

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.

The Parent Company’s EBITDA amounted to ₱7.08 billion, ₱5.88 billion, and ₱5.26 billion in 2024, 2023 and 2022, respectively.

## 31. Supplemental Disclosure to Statements of Cash Flows

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

	January 1, 2024	Availments	Payments	Transfers	Foreign exchange loss (gain)/Interest expense	December 31, 2024
<b>Current Liabilities:</b>						
Bank loans	₱3,925,082,171	₱–	(₱3,779,905,574)	3,669,912,481	(₱1,477,438,329)	₱2,337,650,749
Financial Liability	836,661,303	–	(1,064,095,000)	836,332,688	316,673,834	925,572,825
<b>Noncurrent Liabilities:</b>						
Bank Loans	766,057,584	5,858,343,000	–	(3,669,912,481)	1,481,481,962	4,435,970,065
Financial Liability	3,008,811,659	–	–	(836,332,688)	–	2,172,478,971
	<b>₱8,536,612,717</b>	<b>₱5,858,343,000</b>	<b>(₱4,844,000,574)</b>	<b>₱–</b>	<b>₱320,717,467</b>	<b>₱9,871,672,610</b>



	January 1, 2023	Availments	Payments	Transfers	Foreign exchange loss (gain)/Interest expense	December 31, 2023
Current Liabilities:						
Bank loans	₱3,970,464,232	₱—	(₱721,307,870)	₱709,076,883	(₱33,151,074)	₱3,925,082,171
Financial Liability	—	—	—	836,661,303	—	836,661,303
Noncurrent Liabilities:						
Bank Loans	1,475,134,467	—	—	(709,076,883)	—	766,057,584
Financial Liability	—	3,591,598,487	—	(836,661,303)	253,874,475	3,008,811,659
	₱5,445,598,699	₱3,591,598,487	(₱721,307,870)	₱—	₱220,723,401	₱8,536,612,717

The Parent Company had no non-cash investing and financing activities in 2024, 2023 and 2022 which were considered in the preparation of the parent company statements of cash flows.

### 32. 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.

### 33. Supplementary Tax Information Required Under Revenue Regulations (RR) No. 15-2010

On November 25, 2010, the BIR issued RR No. 15-2010 prescribing the manner of compliance in connection with the preparation and submission of financial statements accompanying the tax returns. It includes provisions for additional disclosure requirements in the notes to the financial statements, particularly on taxes, duties and license fees paid or accrued during the calendar year.

The Parent Company reported and/or paid the following types of taxes in 2024:

a. VAT

a. Output VAT

The National Internal Revenue Code of 1997 provides for the imposition of VAT on sales of goods and services. In accordance with Republic Act 9337, the Company's sales are subject to zero-rated output VAT. The Company declared zero-rated VAT sales, which arise from one hundred percent (100%) export sales of gold and silver bullion, pursuant to BOI certification received by the Company as a new producer of gold, silver bullion, copper concentrates with gold, silver, zinc and lead values on a non-pioneer status.



b. Input VAT

The Parent Company's input VAT came from prior and current year purchases as follows:

Balance as of January 1, 2024	₱1,074,089,177
Deferred input VAT, January 1, 2024	45,788,825
Add current year's domestic purchases/payments for:	
Capital goods not subject to amortization	158,894,865
Importation of goods other than capital goods	82,164,749
Goods and services	226,190,674
Output VAT - offset	—
Deferred input VAT, December 31, 2024	(21,868,135)
Approved & denied VAT – taxable year 2021	(375,598,268)
Balance as of December 31, 2024	₱1,189,661,887

b. Importations

The total dutiable value and the amount of custom duties and tariff fees paid and accrued for the year ended December 31, 2024 follows:

Dutiable value	₱1,792,440,925
Amount paid for customs duties and tariff fees	31,668,294
Landed cost of imports	₱1,824,109,219

c. Excise tax

Excise taxes for the year ended December 31, 2024, resulting from the production of Gold and Silver amounted to ₱541,047,241.

d. Documentary stamp tax

Documentary stamp taxes paid for the year ended December 31, 2024, pertaining to bank loan renewals/roll-over amount to ₱82,689,520.

e. Other taxes and licenses

All other local and national taxes paid for the year ended December 31, 2024 consist of:

Municipal taxes	₱184,162,116
Mayor's permit	15,484,734
Real property tax	6,098,571
Community tax	21,000
Registration fees	500
Others	3,333,230
	₱209,100,151

The above local and national taxes are lodged under taxes, licenses and permits account in cost of production and general and administrative expenses in the statements of comprehensive income.



f. Withholding taxes

Withholding taxes paid and accrued and/or withheld for the year ended December 31, 2024 consist of:

	Paid	Accrued	Total
Expanded withholding tax	₱59,424,361	₱7,614,982	₱67,039,343
Withholding tax on compensation	54,360,909	17,422,109	71,783,018
Final withholding tax	69,786,023	5,930,083	75,716,106
	₱183,571,293	₱30,967,174	₱214,538,467

g. Income Taxes

The Company has paid income taxes for the year ended December 31, 2024, amounted to ₱934,115,399 of which ₱269,635,903 is payment for December 31, 2023.

h. Tax cases

The Company has no outstanding tax cases in any other court or bodies outside of the BIR as of December 31, 2024.

