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Fyr.

Pepe C. Gaspar
Apex Mining Co., Inc.
3304B West Tower Tektite Towers
Exchange Road, Ortigas Center, Pasig City
Email: pcgaspar@apexmining.com
Website: www.apexmines.com

From: eafs@bir.gov.ph <eafs@bir.gov.ph>
Sent: Tuesday, March 24, 2026 7:42 PM
To: Pepe Gaspar <PCGASPAR@APEXMINING.COM>
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Submission Date/Time: **Mar 24, 2026 07:42 PM**
Company TIN: **000-284-138**

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COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

4	0	6	2	1						

COMPANY NAME

A P E X M I N I N G C O . , I N C .

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

3 3 0 4 B W e s t T o w e r , T e k t i t e
T o w e r s , E x c h a n g e R o a d , O r t i g a s
C e n t e r , P a s i g C i t y

Form Type	Department requiring the report	Secondary License Type, If Applicable
A A F S	C R M	N / A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
Corpsec@apexmining.com	8706-2805	+63 917 856 1669

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
2,747	4/30	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Billy G. Torres	bgtorres@apexmining.com	8706-2805	+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.*

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 consolidated financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

JOSE EDUARDO J. ALARILLA	**LUIS R. SARMIENTO**	**BILLY G. TORRES**
Chairman of the Board	President & Chief Executive Officer	SVP-CFO, Treasurer & Compliance Officer

Signed this 17th day of March 2026

SUBSCRIBED AND SWORN to before this 17 MAR 2026, affiant(s) exhibiting to me their respective Passports, to wit:

Names	Passport No
Jose Eduardo J. Alarilla	P5730156A
Luis R. Sarmiento	P80058718
Billy G. Torres	P6369014A

FERDINAND D. ATAHAO
Notary Public
For and in Pasig City and the Municipality of Pateros
Commission No. 122 (2026-2027) valid until 12/31/2027
MCLE Exemption No. VIII-BEP003234, until 04/14/28
Roll No. 46377; IBP LRN 02459; OR 535886; 06/21/2001
TIN 123-011-785; PTR 4018763AA; 01/09/26; Pasig City
Unit 5, West Tower PSE, Exchange Road
Ortigas Center, Pasig City, NCR, 1605 Philippines

PASIG CITY

Doc No. 184
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Book No. 18
Series of 2026

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

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, 2025 and 2024, 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, 2025, 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, 2025 and 2024, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2025 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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), as applicable to the audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to the audits of financial statements of public interest entities 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 34 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

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
SEC Partner Accreditation No. 85501-SEC (Group A)
Valid to cover audit of 2020 to 2024 financial statements,
with extension up to audit of 2025 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-060-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10765157, January 2, 2026, Makati City

March 17, 2026

APEX MINING CO., INC.

PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash (Note 4)	**₱2,797,986,862**	₱2,731,389,483
Trade and other receivables (Note 5)	**2,241,662,821**	1,273,600,312
Inventories (Note 6)	**883,880,733**	1,131,578,156
Advances to related parties (Note 13)	**1,907,884,643**	1,820,980,861
Prepayments and other current assets (Note 7)	**858,408,178**	343,080,240
Total Current Assets	**8,689,823,237**	7,300,629,052
Non-current Assets		
Investment in subsidiaries (Notes 1 and 8)	**9,439,307,700**	9,439,307,700
Property, plant and equipment (Note 9)	**16,658,376,689**	12,888,392,796
Deferred exploration costs (Note 10)	**2,571,235,716**	1,993,635,508
Advances to related parties (Note 13)	**2,900,607,774**	2,404,370,914
Deferred income tax assets - net (Note 25)	**–**	103,145,221
Other noncurrent assets (Note 11)	**827,627,787**	1,146,522,785
Total Noncurrent Assets	**32,397,155,666**	27,975,374,924
TOTAL ASSETS	**₱41,086,978,903**	₱35,276,003,976
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Note 12)	**₱1,889,399,653**	₱1,504,175,219
Loans payable - current portion (Note 16)	**2,496,453,105**	2,337,650,749
Advances from related parties (Note 13)	**560,701,150**	951,955,099
Financial liability - current (Note 8)	**996,134,176**	925,572,825
Income tax payable	**396,248,265**	328,255,928
Total Current Liabilities	**6,338,936,349**	6,047,609,820
Non-current Liabilities		
Loans payable - net of current portion (Note 16)	**3,580,032,960**	4,435,970,065
Financial liability - net of current portion (Note 8)	**1,162,140,082**	2,172,478,971
Provision for retirement benefits (Note 14)	**498,424,705**	395,588,329
Provision for mine rehabilitation and decommissioning (Note 15)	**15,961,632**	15,203,965
Deferred income tax liability - net (Note 25)	**193,701,335**	–
Total Noncurrent Liabilities	**5,450,260,714**	7,019,241,330
Total Liabilities	**11,789,197,063**	13,066,851,150
Equity		
Capital stock (Note 17)	**6,227,887,491**	6,227,887,491
Additional paid-in capital (Note 26)	**15,941,675**	15,941,675
Revaluation surplus on property, plant and equipment (Note 9)	**992,747,404**	166,099,885
Remeasurement gain (loss) on retirement plan (Note 14)	**(2,248,192)**	27,470,714
Retained earnings	**22,063,453,462**	15,771,753,061
Total Equity	**29,297,781,840**	22,209,152,826
TOTAL LIABILITIES AND EQUITY	**₱41,086,978,903**	₱35,276,003,976

See accompanying Notes to Parent Company Financial Statements.

APEX MINING CO., INC.

PARENT COMPANY STATEMENTS OF INCOME

	Years Ended December 31		
	2025	2024	2023
REVENUES			
Gold	**₱17,815,251,739**	₱12,806,566,953	₱10,247,820,845
Silver	**890,108,369**	567,085,650	448,506,860
	18,705,360,108	13,373,652,603	10,696,327,705
COST OF PRODUCTION (Note 19)	**(7,980,730,931)**	(6,438,607,429)	(5,134,154,507)
EXCISE TAXES	**(712,415,828)**	(546,967,678)	(423,705,687)
FINANCE COSTS (Note 24)	**(581,036,886)**	(568,430,199)	(543,074,884)
GENERAL AND ADMINISTRATIVE EXPENSES (Note 20)	**(270,660,393)**	(332,130,226)	(160,166,023)
OTHER CHARGES - net (Note 21)	**(508,041,630)**	(222,305,721)	(203,710,530)
INCOME BEFORE INCOME TAX	**8,652,474,440**	5,265,211,350	4,231,516,074
BENEFIT FROM (PROVISION FOR) INCOME TAX (Note 25)			
Current	**(1,524,916,251)**	(992,934,556)	(775,964,900)
Deferred	**(16,134,957)**	60,249,368	46,682,822
	(1,541,051,208)	(932,685,188)	(729,282,078)
NET INCOME	**₱7,111,423,232**	₱4,332,526,162	₱3,502,233,996
BASIC/DILUTED EARNINGS PER SHARE (Note 18)	**₱1.14**	₱0.70	₱0.56

See accompanying Notes to Parent Company Financial Statements.

APEX MINING CO., INC.

PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2025	2024	2023
NET INCOME	**₱7,111,423,232**	₱4,332,526,162	₱3,502,233,996
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX			
Item not to be reclassified to profit or loss in subsequent periods:			
Revaluation surplus on property, plant and equipment, net of tax (Note 9)	**871,853,700**	–	–
Remeasurement gain (loss) on retirement plan, net of tax(Note 14)	**(29,718,906)**	10,829,958	(40,472,529)
	842,134,794	10,829,958	(40,472,529)
TOTAL COMPREHENSIVE INCOME	**₱7,953,558,026**	₱4,343,356,120	₱3,461,761,467

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, 2025, 2024 and 2023

	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 January 1, 2023	₱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 loss, 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
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
Net income	–	–	–	–	7,111,423,232	7,111,423,232
Other comprehensive income (loss), net of tax	–	–	871,853,700	(29,718,906)	–	842,134,794
Total comprehensive income	–	–	871,853,700	(29,718,906)	7,111,423,232	7,953,558,026
Transfer of portion of revaluation surplus realized through depreciation, depletion and disposal, net of tax (Note 9)	–	–	(45,206,181)	–	45,206,181	–
Dividends (Note 17)	–	–	–	–	(864,929,012)	(864,929,012)
Balances at December 31, 2025	**₱6,227,887,491**	**₱15,941,675**	**₱992,747,404**	**(₱2,248,192)**	**₱22,063,453,462**	**₱29,297,781,840**

See accompanying Notes to Parent Company Financial Statements.

APEX MINING CO., INC.

PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱8,652,474,440**	₱5,265,211,350	₱4,231,516,074
Adjustments for:			
Depreciation, depletion and amortization (Note 22)	**1,447,555,022**	1,115,925,891	1,106,799,067
Interest and accretion expense (Note 24)	**581,036,886**	568,430,199	543,074,884
Provision for impairment loss on input VAT (Notes 11 and 21)	**159,350,713**	9,896,187	–
Unrealized foreign exchange loss	**94,746,438**	223,255,108	54,633,165
Movement in provision for retirement benefits (Note 14)	**39,294,003**	16,929,875	(2,568,285)
Interest income (Notes 4 and 21)	**(1,470,306)**	(8,746,217)	(12,037,669)
Revaluation loss on property, plant and equipment (Notes 9 and 21)	**422,999**	–	–
Gain on disposal of equipment (Note 21)	**(17,500)**	–	–
Operating income before working capital changes	**10,973,392,695**	7,190,902,393	5,921,417,236
Decrease (increase) in:			
Trade and other receivables	**(968,062,509)**	(383,735,094)	(2,796,667)
Inventories	**247,697,423**	(32,658,607)	116,303,859
Other current assets	**(515,327,938)**	138,401,547	(216,582,898)
Increase (decrease) in trade and other payables	**368,692,433**	(13,097,241)	298,627,931
Net cash generated from operations	**10,106,392,104**	6,899,812,998	6,116,969,461
Income tax paid	**(1,456,923,914)**	(934,261,325)	(723,141,352)
Interest paid	**(470,868,217)**	(429,261,008)	(406,719,705)
Interest received	**1,470,306**	8,746,217	12,037,669
Net cash flows from operating activities	**8,180,070,279**	5,545,036,882	4,999,146,073
CASH FLOWS USED IN INVESTING ACTIVITIES			
Additions to:			
Property, plant and equipment (Note 9)	**(4,004,118,185)**	(2,902,489,203)	(2,636,801,776)
Deferred exploration costs (Note 10)	**(577,600,208)**	(192,665,774)	(287,975,271)
Mining software (Note 11)	**(13,952,498)**	(10,913,786)	(3,884,663)
Proceeds from disposal of property, plant, and equipment (Note 9)	**56,263**	–	–
Decrease (increase) in:			
Advances to related parties	**(583,140,642)**	(603,809,963)	(1,912,155,829)
Other noncurrent assets	**162,991,847**	(91,464,631)	1,224,232,714
Net cash flows used in investing activities	**(5,015,763,423)**	(3,801,343,357)	(3,616,584,825)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Availment of loans (Note 16)	**1,775,840,000**	5,858,343,000	–
Payments of:			
Loans (Note 16)	**(2,523,904,078)**	(3,779,905,574)	(721,307,870)
Financial liability (Note 8)	**(1,103,805,000)**	(1,064,095,000)	–
Dividends (Note 17)	**(848,397,012)**	(498,346,380)	(288,896,456)
Advances from related parties	**(391,253,949)**	(556,439,888)	(118,500,903)
Net cash flows used in financing activities	**(3,091,520,039)**	(40,443,842)	(1,128,705,229)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**72,786,817**	1,703,249,683	253,856,019
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(6,189,438)**	(81,510,044)	(23,012,060)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**2,731,389,483**	1,109,649,844	878,805,885
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱2,797,986,862**	₱2,731,389,483	₱1,109,649,844

See accompanying 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 (3) wholly-owned subsidiaries: Itogon-Suyoc Resources, Inc. (ISRI), Monte Oro Resources & Energy, Inc. (MORE) and Asia Alliance Mining Resources Corporation (AAMRC). As at December 31, 2025 and 2024, the Parent Company has 2,747 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, for US$81.50 million or ₱3.89 billion (see Note 8).

On December 29, 2025, Prime Strategic Holdings, Inc. (PSHI), completed the acquisition of ownership and control offshore of Mindanao Gold Ltd., a Labuan, Malaysia Company, which holds 30,224,308 unlisted shares of the Parent Company. As a result, PSHI's total direct and indirect shareholdings in the Parent Company increased to 65.11%. The Parent Company's ultimate parent company is Razon & Co., Inc. PSHI and the ultimate parent company are domiciled in the Philippines.

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, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, were authorized for issuance by the Parent Company's Board of Directors (BOD) on March 17, 2026.

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 inventories which are valued at lower of cost or net realizable value and property, plant and equipment, which are carried 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 (PFRS) Accounting Standards.

The accompanying separate parent company financial statements are prepared for submission to the SEC, PSE and the Bureau of Internal Revenue (BIR). The Parent Company also prepares and issues consolidated financial statements for the same period as the separate financial statements and are presented in accordance with PFRS 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 amendments effective in 2025. The Parent Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Adoption of these amendments did not have an impact on the financial statements of the Parent Company.

- Amendments to PAS 21, *Lack of exchangeability*

  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

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.

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- 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 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

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, 2025 and 2024, 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.

<u>Derecognition of Financial Assets and Financial Liabilities</u>

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.

The Parent Company applies the cost model in accounting for mine development costs and mine and mining properties.

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, Mining Software, 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, mining software, 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 deal confirmation is drawn, at which point revenue is recognized. For transactions involving a Bill-and-Hold arrangement, the Group recognizes revenue once the risks and rewards of ownership have transferred to the buyer. This occurs when: (1) it is probable that delivery will be made; (2) the goods are on hand, identified and ready for delivery to the buyer at the time the revenue is recognized; (3) the buyer specifically acknowledges the deferred delivery instructions; and (4) usual payment terms apply.

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 recognized upon extraction of the mineral ore.

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 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.

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 ₱4.15 billion and ₱3.36 billion, net of allowance for impairment losses amounting to ₱1.67 million as at December 31, 2025 and 2024 (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 ₱4.69 million and ₱106.54 million in 2025 and 2024, respectively, and reversal of provision for inventory losses and obsolescence ₱35.97 million in 2023 (see Note 6). As at December 31, 2025 and 2024, the carrying amounts of inventories amounted to ₱0.88 billion and ₱1.13 billion, respectively, net of allowance for inventory losses and obsolescence of ₱149.29 million and ₱144.59 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 ₱2.57 billion and ₱1.99 billion as at December 31, 2025 and 2024, 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, 2025 and 2024 has net book values amounting to ₱16.66 billion and ₱12.89 billion respectively, while property, plant, and equipment at cost has net book values as at December 31, 2025 and 2024 amounting to ₱15.33 billion and ₱12.67 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 2025, 2024 and 2023 was 9%, 8% and 11%, respectively. Depletion costs amounted to ₱181.15 million, ₱167.21 million, ₱248.89 million, in 2025, 2024 and 2023, respectively. Depletable mine and mining properties, net of accumulated depletion, amounted to ₱2.05 billion and ₱2.11 billion as at December 31, 2025 and 2024 (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 ₱27.78 billion and ₱22.02 billion as at December 31, 2025 and 2024, respectively (see Notes 7, 8, 9, and 11).

These are subjected to impairment testing when impairment indicators are present. As at December 31, 2025 and 2024, 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 2025, 2024 and 2023 (see Note 21).

Provision for impairment loss on input VAT amounted to ₱159.35 million, ₱9.90 and nil in 2025, 2024 and 2023, respectively (see Notes 11 and 21). As at December 31, 2025 and 2024, allowance for impairment loss on input VAT amounted to ₱312.35 million and ₱152.99 million in 2025 and 2024, respectively. (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 ₱68.66 million, ₱61.05 million and ₱54.89 million, in 2025, 2024 and 2023, respectively. Provision for retirement benefits amounted to ₱498.42 million and ₱395.59 million as at December 31, 2025 and 2024, respectively. Benefits paid in 2025 and 2024 amounted to ₱5.45 million and ₱24.41million, 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 ₱0.76 million, ₱0.72 million, and ₱0.69 million in 2025, 2024 and 2023, respectively (see Notes 15 and 24). Gain on change in estimate of the provision for mine rehabilitation and decommissioning amounted to nil in 2025, 2024 and 2023, respectively. As at December 31, 2025 and 2024, the provision for mine rehabilitation and decommissioning amounted to ₱15.96 million and ₱15.20 million, respectively (see Note 15).

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, 2025 and 2024, the Parent Company recognized deferred income tax assets related to retirement benefits, unrealized foreign exchange losses, and provision for mine rehabilitation amounting to ₱154.88 million and ₱188.84 million, respectively. As at December 31, 2025 and 2024, unrecognized deductible temporary differences amounted to ₱625.97 million and ₱115.48 million, respectively (see Note 25).

4. Cash and Cash Equivalents

	2025	2024
Cash on hand	**₱3,029,383**	₱2,063,671
Cash in banks	**2,786,218,469**	2,720,713,572
Short-term deposits	**8,739,010**	8,612,240
	₱2,797,986,862	₱2,731,389,483

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

Interest income arising from cash with banks and short-term deposit amounted to ₱1.47 million, ₱8.75 million, and ₱12.04 million in 2025, 2024 and 2023, respectively (see Note 21).

The Parent Company has foreign currency-denominated cash amounting to US$22.09 million and US$35.35 million as at December 31, 2025 and 2024, respectively (see Note 26).

5. Trade and Other Receivables

	2025	2024
Trade	**₱2,007,521,121**	₱1,210,608,874
Advances to officers and employees	**27,177,229**	37,092,980
Receivable from the government	**178,660,455**	–
Others	**29,970,256**	27,564,698
	2,243,329,061	1,275,266,552
Less allowance for ECL	**1,666,240**	1,666,240
	₱2,241,662,821	₱1,273,600,312

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.

Receivable from the government represents the Parent Company's approved claims for input VAT refund from the BOC which is expected to be collected within twelve (12) months after the end of the financial reporting period.

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, 2025 and 2024. The Parent Company did not recognize any additional provision or reversal in 2025, 2024, and 2023.

The Parent Company has foreign currency-denominated trade and other receivables amounting to US$33.77 and US$20.85 million as at December 31, 2025 and 2024, respectively (see Note 26).

6. Inventories

	2025	2024
Gold and silver bullions - at cost	**₱38,245,104**	₱102,844,171
Metal in circuit - at cost	–	141,127,111
Ore stockpile - at cost	**47,576,064**	42,035,816
	85,821,168	286,007,098
Materials and supplies - at NRV	**947,344,577**	990,162,640
Allowance for inventory losses and obsolescence	**(149,285,012)**	(144,591,582)
	798,059,565	845,571,058
	₱883,880,733	₱1,131,578,156

Cost of inventories recognized as part of cost of production amounted to ₱3.14 billion, ₱2.61 billion and ₱1.84 billion in 2025, 2024 and 2023 respectively (see Note 19).

Cost of materials and supplies recognized as part of general and administrative expense in 2025, 2024 and 2023 amounted to ₱2.87 million, ₱3.44 million and ₱2.67 million, respectively (see Note 20).

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

	2025	2024	2023
Beginning balances	**₱144,591,582**	₱38,049,482	₱74,017,961
Provision	**4,693,430**	106,542,100	–
Reversal	–	–	(35,968,479)
Ending balances	**₱149,285,012**	₱144,591,582	₱38,049,482

7. Prepayments and Other Current Assets

	2025	2024
Advances to suppliers and contractors	**₱769,653,501**	₱274,511,221
Prepayments	**52,151,919**	31,969,261
Others	**36,602,758**	36,599,758
	₱858,408,178	₱343,080,240

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, employees and payments made for gold insurance.

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	**2025**	2024
Subsidiaries:					
MORE	Mining and Oil and Gas	100	Philippines	**₱5,122,161,087**	₱5,122,161,087
ISRI	Mining	100	Philippines	**426,238,126**	426,238,126
AAMRC	Mining	100	Philippines	**3,890,908,487**	3,890,908,487
				₱9,439,307,700	₱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 Recto Bank in 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 (2) mining projects: the Sangilo mine, which commenced its commercial operations on July 31, 2020, located in Itogon, Benguet; and the Suyoc mine, which is under exploration, 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 PMDC as the highest bidder for the JOA over copper mines and mining claims covering 19,135 hectares known as the

North Davao Project, covered by application Financial and Technical Assistance Agreement (FTAA)-XI-14, for US$81.5 million where US$5.5 million is payable upon execution of the SPA and US$76 million shall be paid in 4 equal annual installments of US$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 US$32.50 million due to PMDC where initial commitment fee amounting to US$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 US$4.00 million shall be paid in four (4) equal annual installment payments of US$1.00 million starting the second year from signing of the JOA. These commitment fees are advances on the royalty fee under JOA to be applied or credited against the future royalty fees due to PMDC at not more than 20% of the total amount of the royalty fee due in each one (1) year period (see Note 13).

On February 10, 2023, as the closing conditions of the SPA were complied, the DOAS between the Parent Company and the Sellers were completed and all the rights as the 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 US$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.

On February 29, 2024, the Parent Company made additional advance payment to AAMRC amounting to US$1.00 million or ₱56.34 million related to the royalty fee under JOA and credited against the future royalty fees due to PMDC.

On January 8, 2025 and December 18, 2025, the Parent Company made additional advance payment for royalty to PMDC amounting to ₱55.9 million and ₱58.79 million, respectively.

As at December 31, 2025 and 2024, advances for royalty to PMDC amounted to ₱1.85 billion and ₱1.74 billion, respectively.

As at December 31, 2025 and 2024, the Parent Company has outstanding financial liability related to the asset acquisition as follows:

	2025		2024	
	in US$	**in Ph₱**	in US$	in Ph₱
Current	**US$16,943,939**	**₱996,134,176**	US$15,999,530	₱925,572,825
Noncurrent	**19,767,649**	**1,162,140,082**	37,553,656	2,172,478,971
	US$36,711,588	**₱2,158,274,258**	US$53,553,186	₱3,098,051,796

The Parent Company's payment of financial liability in 2025 and 2024 amounted to ₱1.1 billion and ₱1.11 billion, respectively. In 2025, 2024 and 2023, accretion expense recognized related to the financial liability amounted to ₱126.40 million, ₱178.97 million and ₱191.34 million, respectively (see Note 24).

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, 2025 and 2024 arose due to the agreement entered into by BMRC which required the latter to pay in advance the royalties for the Paracale Gold Project.

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

	December 31	
MORE and Subsidiaries	**2025**	2024
Current assets	**₱1,215,968,139**	₱1,183,232,370
Noncurrent assets	**7,363,675,919**	2,364,123,880
Current liabilities	**369,223,286**	354,837,773
Noncurrent liabilities	**11,972,158**	4,749,017
Equity	**8,198,448,614**	3,187,769,460
Cost and expenses	**(₱54,460,633)**	(₱41,967,965)
Other income (charges)	**87,060,725**	(72,694,140)
Net income (loss)	**32,600,092**	(114,662,105)
Other comprehensive income	**4,990,649,689**	249,810,051
Total comprehensive income	**₱5,023,249,781**	₱135,147,946

	December 31	
ISRI	**2025**	2024
Current assets	**₱1,128,280,893**	₱761,441,553
Noncurrent assets	**2,917,894,143**	2,249,719,212
Current liabilities	**2,482,322,702**	2,377,553,034
Noncurrent liabilities	**195,142,750**	219,945,346
Equity	**1,368,709,584**	413,662,385
Revenue	**₱2,632,194,592**	₱1,768,543,192
Cost and expenses	**(1,916,483,405)**	(1,255,240,237)
Other charges	**(104,330,199)**	(234,571,511)
Net income	**611,380,988**	278,731,444
Other comprehensive income	**2,037,616**	714,567
Total comprehensive income	**₱613,418,604**	₱279,446,011

	December 31	
AAMRC	**2025**	2024
Current assets	**₱143,250,575**	₱144,186,992
Noncurrent assets	**2,499,233,763**	2,017,276,157
Current liabilities	**2,634,527,747**	2,152,604,642
Equity	**7,956,591**	8,858,507
Cost and expenses	**(₱1,045,536)**	(₱743,499)
Other income	**143,620**	122,694
Net loss	**(901,916)**	(620,805)
Other comprehensive income	**–**	–
Total comprehensive loss	**(₱901,916)**	(₱620,805)

9. Property, Plant and Equipment

	2025							
	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	**₱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**
Additions	**2,558,592**	**1,171,635,658**	**61,215,743**	**1,888,000**	**226,552,863**	**1,160,781,857**	**1,379,485,472**	**4,004,118,185**
Capitalized borrowing cost (Note 16)	–	–	–	–	–	**30,589,846**	**10,316,109**	**40,905,955**
Capitalized depreciation (Note 22)	–	–	–	–	–	**91,305,253**	–	**91,305,253**
Revaluation	**81,776,475**	**125,014,889**		**875,456,299**	**80,223,938**	–	–	**1,162,471,601**
Reclassifications from construction in progress	**31,227,636**	**221,707,820**	**79,401,342**	**9,039,912**	**18,862,603**	–	**(360,239,313)**	–
Disposals and write-offs	–	–	–	–	**(5,634,729)**	–	–	**(5,634,729)**
Balances at end of year	**595,841,059**	**11,450,374,631**	**1,161,641,790**	**2,272,629,944**	**1,145,868,577**	**12,263,652,876**	**2,468,082,603**	**31,358,091,480**
Accumulated depreciation and depletion:								
Balances at beginning 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**
Depreciation and depletion (Note 22)	**31,168,568**	**1,018,788,996**	**74,775,618**	**108,464,660**	**114,005,635**	**181,151,862**	–	**1,528,355,339**
Disposal and write- offs	–	–	–	–	**(5,595,966)**	–	–	**(5,595,966)**
Balances at end of year	**269,690,506**	**7,485,882,592**	**786,779,833**	**1,027,812,277**	**581,723,810**	**4,384,728,563**	–	**14,536,617,581**
Allowance for impairment:								
Balances at beginning and end of year	**126,037**	**3,318,744**	–	**159,229,430**	–	–	–	**162,674,211**
Additions	–	–	**422,999**	–	–	–	–	**422,999**
Balances at end of year	**126,037**	**3,318,744**	**422,999**	**159,229,430**	–	–	–	**163,097,210**
Net book values	**₱326,024,516**	**₱3,961,173,295**	**₱374,438,958**	**₱1,085,588,237**	**₱564,144,767**	**₱7,878,924,313**	**₱2,468,082,603**	**₱16,658,376,689**

	2024							
	Buildings and improvements	Mining and milling equipment	Power equipment	Roads and bridges, and land improvements	Exploration equipment, and others	Mine and mining properties	Construction in-progress	Total
At revalued amounts:								
Balance at beginning 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
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
Accumulated depreciation and depletion:								
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
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
Allowance for impairment:								
Balances at beginning and end of year	126,037	3,318,744	–	159,229,430	–	–	–	162,674,211
Net book values	₱241,630,381	₱3,461,603,924	₱309,020,490	₱307,668,686	₱352,549,761	₱6,777,399,219	₱1,438,520,335	₱12,888,392,796

In 2025, the Parent Company revalued its property, plant and equipment based on the estimated fair values determined by an independent appraiser duly accredited by PSE and SEC. The valuations were derived using either the market approach or the cost approach, depending on the nature of the asset and the availability of market data. Under the market approach, fair value is established by comparing the asset with similar or substitute properties and analyzing relevant market transactions and data. Under the cost approach, fair value is estimated by determining the current replacement or reproduction cost of the asset, taking into account prevailing market prices for materials, labor, contractor's margins, professional fees, and other related costs, and then deducting allowances for physical depreciation and obsolescence.

The Parent Company 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, 2025 and 2024.

Movement in revaluation surplus in equity is as follows:

	2025	2024
Balances at beginning of year	**₱166,099,885**	₱190,678,742
Additions, net of tax	**871,853,700**	–
Realized portion through depreciation, net of tax (Note 17)	**(45,206,181)**	(24,578,857)
Balance at end of year	**₱992,747,404**	₱166,099,885

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:

	2025							
	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	**₱550,007,625**	**₱11,801,860,481**	**₱1,165,512,928**	**₱2,238,340,035**	**₱1,207,039,739**	**₱12,263,652,876**	**₱2,468,082,603**	**₱31,694,496,287**
Accumulated depreciation and depletion:								
Balances at end of year	**355,642,857**	**8,053,105,302**	**803,743,545**	**2,013,276,250**	**749,286,285**	**4,384,728,563**	**–**	**16,359,782,802**
Allowance for impairment:								
Balances at end of year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Net book values	**₱194,364,768**	**₱3,748,755,179**	**₱361,769,383**	**₱225,063,785**	**₱457,753,454**	**₱7,878,924,313**	**₱2,468,082,603**	**₱15,334,713,485**

	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	₱10,980,975,920	₱1,438,520,335	₱26,390,330,021
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	₱6,777,399,219	₱1,438,520,335	₱12,666,926,281

The cost of fully depreciated property, plant and equipment that are still being used amounted to ₱4.26 billion and ₱3.78 billion as at December 31, 2025 and 2024, respectively.

The Parent Company capitalized borrowing cost amounting to ₱10.32 million and ₱15.77 million for construction in-progress, ₱30.59 million and ₱44.27 million for mine and mining properties in 2025 and 2024, respectively. The rate used to determine the amount of borrowing costs eligible for capitalization was 7.24% and 6.51% in 2025 and 2024, respectively (see Note 16).

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

	2025				
	Mine and mining properties	**Mine development cost**	**Mine rehabilitation asset**	**Mine rehabilitation asset - PPE**	**Total**
Cost:					
Balances at beginning of year	**₱6,290,326,065**	**₱4,665,349,905**	**₱23,509,181**	**₱1,790,769**	**₱10,980,975,920**
Additions	**–**	**1,160,781,857**	**–**	**–**	**1,160,781,857**
Transfers	**123,495,121**	**(123,495,121)**	**–**	**–**	**–**
Capitalized depreciation (Note 22)	**–**	**91,305,253**	**–**	**–**	**91,305,253**
Capitalized borrowing cost (Note 16)	**–**	**30,589,846**	**–**	**–**	**30,589,846**
Balances at end of year	**6,413,821,186**	**5,824,531,740**	**23,509,181**	**1,790,769**	**12,263,652,876**
Accumulated depletion:					
Balances at beginning of year	**4,178,276,751**	**–**	**23,509,181**	**1,790,769**	**4,203,576,701**
Depletion (Note 3)	**181,151,862**	**–**	**–**	**–**	**181,151,862**
Balances at end of year	**4,359,428,613**	**–**	**23,509,181**	**1,790,769**	**4,384,728,563**
Net book values	**₱2,054,392,573**	**₱5,824,531,740**	**₱–**	**₱–**	**₱7,878,924,313**

	2024				
	Mine and mining properties	Mine development cost	Mine rehabilitation asset	Mine rehabilitation asset - PPE	Total
Cost:					
Balances at beginning of year	₱5,773,658,454	₱4,137,163,615	₱23,509,181	₱1,790,769	₱9,936,122,019
Additions	–	911,168,596	–	–	911,168,596
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
Balances at end of year	6,290,326,065	4,665,349,905	23,509,181	1,790,769	10,980,975,920
Accumulated depletion:					
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
Balances at end of year	4,178,276,751	–	23,509,181	1,790,769	4,203,576,701
Net book values	₱2,112,049,314	₱4,665,349,905	₱–	₱–	₱6,777,399,219

The Parent Company’s asset retirement obligation (ARO) pertaining to mine rehabilitation assets have been fully depleted as at December 31, 2025 and 2024.

10. Deferred Exploration Costs

	2025	2024
Balances at beginning of year	**₱1,993,635,508**	₱1,800,969,734
Additions	**633,072,067**	368,801,346
Transfers	**(55,471,859)**	(176,135,572)
Balances at end of year	**₱2,571,235,716**	₱1,993,635,508

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 ₱0.12 billion and ₱0.18 billion in 2025 and 2024, respectively.

11. Other Noncurrent Assets

	2025	2024
Input VAT	**₱999,277,635**	₱1,211,530,022
Deposits	**92,338,926**	43,606,224
MRF	**28,826,025**	28,298,187
Mining software	**19,530,782**	16,083,220
	1,139,973,368	1,299,517,653
Less allowance for impairment loss	**312,345,581**	152,994,868
	₱827,627,787	₱1,146,522,785

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. Movement on the allowance for impairment loss of Input VAT for the years ended December 31, 2025, 2024 and 2023 are as follows:

	2025	2024	2023
Beginning	**₱152,994,868**	₱143,098,681	₱143,098,681
Provision for Impairment	**159,350,713**	9,896,187	–
	₱312,345,581	₱152,994,868	₱143,098,681

Deposits

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

MRF
As at December 31, 2025 and 2024, 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
Movement of software for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
Cost:		
Balances at beginning of year	**₱95,975,517**	₱85,061,731
Additions	**13,952,498**	10,913,786
Balances at end of year	**109,928,015**	95,975,517
Accumulated amortization:		
Balances at beginning of year	**79,892,297**	69,076,166
Amortization (Note 22)	**10,504,936**	10,816,131
Balances at end of year	**90,397,233**	79,892,297
Net book values	**₱19,530,782**	₱16,083,220

12. **Trade and Other Payables**

	2025	2024
Trade	**₱936,014,683**	₱718,803,143
Nontrade	**334,768,653**	323,907,205
Accrued expenses	**246,300,405**	168,350,166
Accrued employee benefits	**113,328,125**	110,371,387
Payables to government agencies	**111,917,707**	93,790,230
Dividends payable (Note 17)	**75,969,064**	59,437,064
Retention payable	**58,200,439**	13,279,920
Others	**12,900,577**	16,236,104
	₱1,889,399,653	₱1,504,175,219

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

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprise and their key management personnel, directors, or its stockholders.

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:						
ISRI	Subsidiary	**2025**	**₱19,644,477**	**₱1,840,625,338**	Due and demandable	Unsecured, not guaranteed
		2024	₱217,946,607	₱1,820,980,861		
AAMRC	Subsidiary	**2025**	**481,588,105**	**2,616,649,619**	Not due and demandable	Unsecured, not guaranteed
		2024	384,642,821	2,135,061,514		
Prime Strategic Holdings, Inc. (PSHI)	Stockholder	**2025**	**67,259,305**	**67,259,305**	Due and demandable	Unsecured, not guaranteed
		2024	–	–		
Coral Resources Philippines, Inc. (CRPI)	Indirect Subsidiary	**2025**	**14,358,601**	**278,359,185**	Not due and demandable	Unsecured, not guaranteed
		2024	1,219,224	264,000,584		
Bulawan Mineral Resources Corp. (BMRC)	Indirect Subsidiary	**2025**	**290,154**	**5,598,970**	Not due and demandable	Unsecured, not guaranteed
		2024	–	5,308,816		
2025			**₱583,140,642**	**₱4,808,492,417**		
2024			₱603,808,652	₱4,225,351,775		

Category	Relationship with the Company	Year	Volume/ Amount	Outstanding Balance	Terms	Conditions
Cash advances from:						
MORE	Subsidiary	**2025**	**₱–**	**₱560,701,150**	Due and demandable	Unsecured, not guaranteed
		2024	₱–	₱577,097,087		
PSHI	Stockholder	**2025**	**–**	**–**	Due and demandable	Unsecured, not guaranteed
		2024	–	374,858,012		
2025			**₱–**	**₱560,701,150**		
2024			₱–	₱951,955,099		

The Parent Company's transactions with related parties that are expected to be settled in cash are as follows:

a. Advances from MORE pertain to funds obtained by the Parent Company for its working capital requirements.
b. 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 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, 2025 and 2024 amounted to ₱16.85 million and ₱16.07 million, respectively, while the fair values amounted to ₱17.94 million and ₱16.85 million, respectively.

The Parent 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, 2025 and 2024, the retirement fund consists of investments in government bonds, cash and short-term deposits, equity instruments and others which accounts for 91.27% and 95.11%, 8.73% and 4.50%, and nil and 0.39%, 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 2025, 2024 and 2023.

Other long-term benefits granted to key management personnel amounting to ₱21.43 million, ₱17.20 million and ₱16.90 million in 2025, 2024 and 2023, respectively. The Parent Company paid salaries and other short-term benefits to key management personnel amounting to ₱91.67 million, ₱94.01 million, and ₱89.70 million in 2025, 2024 and 2023, 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:

	2025	2024	2023
Current service cost (Note 23)	**₱44,739,295**	₱41,341,714	₱36,220,357
Interest cost - net (Note 24)	**23,917,166**	19,712,112	18,669,804
	₱68,656,461	₱61,053,826	₱54,890,161

Changes in defined benefits liability and fair value of plan assets in 2025 and 2024 are as follows:

2025	**Defined benefits liability**	**Fair value of plan assets**	**Net defined benefits liability**
At January 1	**₱412,433,497**	**₱16,845,168**	**₱395,588,329**
Net interest (Note 24)	**24,944,721**	**1,027,555**	**23,917,166**
Current service cost (Note 23)	**44,739,295**	**–**	**44,739,295**
Benefits paid from book reserve	**(5,445,292)**	**–**	**(5,445,292)**
Remeasurement of actuarial losses (gains):			
Experience	**53,808,916**	**–**	**53,808,916**
Changes in financial assumptions	**(14,120,959)**	**–**	**(14,120,959)**
Remeasurement loss - return on plan assets	**–**	**62,750**	**(62,750)**
	39,687,957	**62,750**	**39,625,207**
At December 31	**₱516,360,178**	**₱17,935,473**	**₱498,424,705**

2024	Defined benefits liability	Fair value of plan assets	Net defined benefits liability
At January 1	₱389,459,206	₱16,072,920	₱373,386,286
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)
Remeasurement of actuarial losses (gains):			
Experience	(16,275,787)	–	(16,275,787)
Changes in financial assumptions	396,298	–	396,298
Remeasurement gain - return on plan assets	–	(1,439,545)	1,439,545
	(15,879,489)	(1,439,545)	(14,439,944)
At December 31	₱412,433,497	₱16,845,168	₱395,588,329

Changes in defined benefits cost recognized in OCI in 2025 and 2024 are as follows:

	2025	2024
At January 1	**₱27,470,714**	₱16,640,756
Actuarial gain (loss) - defined benefit obligation	**(39,687,957)**	15,879,489
Remeasurement loss - plant asset	**62,750**	(1,439,545)
Income tax effect	**9,906,301**	(3,609,986)
At December 31	**(₱2,248,192)**	₱27,470,714

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

	2025	2024
Cash and short - term deposits	**91.27%**	95.11%
Debt instruments - government bonds	**8.73%**	4.51%
Others	**0.00%**	0.38%
	100.00%	100.00%

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

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

	2025	2024
Discount rate	**6.41%**	6.10%
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:

	2025		2024	
	Increase (decrease)	**Impact**	Increase (decrease)	Impact
Discount rates	**7.41%**	**(₱41,110,296)**	7.10%	(₱34,302,116)
	(5.41%)	**47,868,947**	(5.10%)	40,153,126
Salary increase rate	**6.00%**	**₱50,633,269**	6.00%	₱42,253,736
	(4.00%)	**(44,164,215)**	(4.00%)	(36,672,610)

The latest available actuarial valuation report of the Parent Company dated March 5, 2026 represents information as at December 31, 2025.

The maturities of the undiscounted benefit payments as at December 31, 2025 and 2024 are shown below:

	2025	2024
Less than one (1) year	**₱84,014,963**	₱65,442,734
More than one (1) year to five (5) years	**179,597,555**	131,561,993
More than five (5) years to 10 years	**314,229,964**	299,620,551
	₱577,842,482	₱496,625,278

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:

	2025	2024
Balance at beginning of year	**₱15,203,965**	₱14,482,256
Accretion (Note 24)	**757,667**	721,709
Balance at end of year	**₱15,961,632**	₱15,203,965

The Parent Company's FMRDP on its existing MPSAs was approved by the MGB on March 13, 2017 and revised FMRDP was approved on April 20, 2021. The revised FMRDP incorporated the latest ore reserves estimate which indicates that the mine life was extended from three (3) 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, 2025 and 2024 is 4.98%. There is no change in mine life and discount rate in 2025 and 2024.

16. **Loans Payable**

	2025	2024
Philippine National Bank (PNB)	**₱2,689,498,065**	₱2,731,888,376
Bank of Commerce (BOC)	**2,186,988,000**	1,966,730,000
Rizal Commercial Banking Corporation (RCBC)	**1,200,000,000**	1,500,000,000
Union Bank of the Philippines (UBP)	**–**	575,002,438
	6,076,486,065	6,773,620,814
Less current portion	**2,496,453,105**	2,337,650,749
Noncurrent portion	**₱3,580,032,960**	₱4,435,970,065

PNB
PNB has granted the Parent 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 of the Credit Facilities to ₱2.00 billion with a new expiry date of July 27, 2027.

  As at December 31, 2025 and 2024, 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 September 13, 2019, another unsecured Term Loan Facility of up to ₱2.00 billion with tenor of eight (8) years with equal quarterly principal repayment was obtained to finance the Parent Company's capital expenditures.

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

  The Parent Company must use the proceeds of the loan exclusively for capital expenditures and must maintain at all times a consolidated Debt Service Coverage Ratio (DSCR) of at least 1.2x and a consolidated Debt-to-Equity Ratio (DER) of 70:30 payment in full of all amounts due to PNB.

  The Parent Company has an outstanding unsecured promissory note equivalent to ₱503.41 million and ₱766.06 billion as at December 31, 2025 and 2024, respectively.

- On December 18, 2024, the Parent Company entered into a US$108.00 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 (3) annual tranches through 2026 and repaid quarterly over five (5) 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 DSCR of no less than 1.2x and a consolidated DER of 70:30.

  On December 20, 2024 and December 19, 2025, Parent Company drawn the first and second tranches, respectively amounting to US$34.00 million and US$10.00 million each with interest rate of 8.77% and 7.98% per annum with maturity date of December 20, 2029 and December 19, 2030, respectively.

  The Parent Company has an outstanding loan amounting to US$37.20 million and US$34.00 million as at December 31, 2025 and 2024, respectively.

  As at December 31, 2025, all loan covenants are complied with.

  The Parent Company has pledged AAMRC shares as collateral which constitute 100% of the acquisition shares and 100% of the outstanding capital stock.

The loan also contain prepayment provisions which states that prepayment shall be in a minimum principal amount of $1.00 million and multiples of $.02 million. The prepayment options on for this loan was assessed to be embedded derivatives that are clearly and closely related to the host contract, therefore, not required to be bifurcated.

BOC

- On February 7, 2024, the Parent Company entered into a short-term loan agreement with BOC for US$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 US$1.00 million and rolled over the remaining balance of US$18.00 million, which subsequently matured on September 4, 2024. On that date, the Parent Company paid an additional US$1.00 million and rolled over the outstanding balance of US$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 US$34.00 million, with an interest rate of 9.80% per annum, originally maturing on June 25, 2024. Upon maturity, the Parent Company made a payment of US$1.7 million and rolled over the remaining balance of US$32.3 million, which matured on September 23, 2024. On that date, the Parent Company made an additional payment of US$1.7 million and rolled over the outstanding balance of US$30.6 million, which matured on December 20, 2024.

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

- On December 18, 2024, the Parent Company entered into a US$108 million OLSA with PNB and BOC. First and second tranches was drawn on December 20, 2024 and December 19, 2025, respectively, amounting to US$34 million and US$10 million each with interest rate of 8.77% and 7.98% per annum with maturity date of December 20, 2029 and December 19, 2030, respectively.

  The Parent Company has an outstanding loan amounting to US$37.2 million and US$34 million as at December 31, 2025 and 2024, respectively.

  The Parent Company has pledged AAMRC shares as collateral which constitute 100% of the acquisition shares and 100% of the outstanding capital stock.

  The loan also contain prepayment provisions which states that prepayment shall be in a minimum principal amount of $1.00 million and multiples of $.02 million. The prepayment options on for this loan was assessed to be embedded derivatives that are clearly and closely related to the host contract, therefore, not required to be bifurcated.

RCBC
As at December 31, 2025, the Parent Company has outstanding unsecured promissory notes amounting to ₱600.00 million and ₱600.00 million with maturity date on February 27, 2026 and May 23, 2026, respectively, carrying an interest rate of 7.15% per annum for both promissory note. The promissory note maturing on February 27, 2026 is a new loan, as the loan that matured on February 25, 2025 was fully paid upon maturity, while the promissory note maturing on May 23, 2026 represents a rollover of the loan that matured on May 26, 2025.

As at December 31, 2024, the Parent Company has outstanding unsecured promissory notes amounting to ₱900.00 million and ₱600.00 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.

UBP
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 notes.

The Parent Company paid the outstanding loan upon its maturity.

The Parent Company's availment and payment of loans and equipment financing in 2025, 2024 and 2023 are as follows:

	2025		2024		2023	
	Availments	**Payments**	Availments	Payments	Availments	Payments
PNB	**₱587,920,000**	**₱652,759,212**	₱1,966,730,000	₱809,076,884	₱–	₱619,791,169
BOC	**587,920,000**	**390,110,900**	3,037,095,000	2,840,221,883	–	–
RCBC	**600,000,000**	**900,000,000**	600,000,000	–	–	–
UBP	–	**581,033,966**	254,518,000	130,606,807	–	101,516,701
	₱1,775,840,000	**₱2,523,904,078**	₱5,858,343,000	₱3,779,905,574	₱–	₱721,307870

Interest expenses incurred in 2025 and 2024 in relation to the availed loans are as follows:

	2025	2024
PNB	**₱205,953,208**	₱61,399,116
BOC	**158,894,277**	263,866,817
RCBC	**89,851,667**	30,627,610
UBP	**16,169,065**	73,168,333
	470,868,217	429,061,876
Capitalized borrowing costs (Note 9)	**(40,905,955)**	(60,037,901)
Interest on loans payable (Note 24)	**₱429,962,262**	₱369,023,975

The Parent Company capitalized borrowing costs related to construction in-progress and mine development cost amounting to ₱40.91 million and ₱60.04 million in 2025 and 2024, respectively. The rate used to determine the amount of borrowing costs eligible for capitalization was 7.24% in 2025 and 6.51% in 2024 (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, 2025 and 2024.

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

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

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

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

As at December 31, 2025 and 2024, the Parent Company has 2,747 and 2,744 stockholders, respectively.

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

	2025		2024	
	Shares	**Amount**	Shares	Amount
Issued and outstanding shares at beginning and end of year	**6,227,887,491**	**₱6,227,887,491**	6,227,887,491	₱6,227,887,491

APIC

The balance of APIC at the beginning and end of 2025 and 2024 amounted to ₱15.94 million.

Retained earnings

Movement in the retained earnings is as follows:

	2025	2024
Balance at beginning of year	**₱15,771,753,061**	₱11,921,803,604
Net income	**7,111,846,232**	4,332,526,162
Dividends	**(864,929,012)**	(507,155,562)
Realization of revaluation surplus (Note 9)	**45,206,181**	24,578,857
Balance at end of year	**₱22,063,876,462**	₱15,771,753,061

Dividends
On April 30, 2024, the Parent Company declared a regular cash dividend amounting to ₱507.16 million equivalent to ₱0.081433 per common share. From the cash dividend declared, ₱498.35 million was paid on May 31, 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).

On March 17, 2025, the Parent Company declared both a regular and a special cash dividend, each amounting to ₱0.06944 per common share, for a total dividend declaration of ₱864.93 million based on ₱6.23 billion common shares outstanding. Of the total dividends declared, ₱848.40 million was paid on April 25, 2025 to stockholders of record as of April 04, 2025, while the remaining ₱75.97 million is presented as “Dividends Payable” as of December 31, 2025 (see Note 14).

On March 17, 2026, the Parent Company declared regular and special cash dividends of ₱0.24612 and ₱0.36918 per common share, respectively, for a total aggregate amount of ₱3.83 billion. . The cash dividends are payable on April 27, 2026 to stockholders of record holding shares of the Parent Company’s common stock as of close of business on April 15, 2026 (see Note 32).

Appropriation of Retained Earnings
In a Special Meeting held on March 17, 2026, the Parent Company’s BOD approved the appropriation of retained earnings amounting to ₱12.00 billion in relation to drain tunnel, mill plant construction and other expansion projects which is expected to be completed in three (3) to four (4) years.

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, 2025 and 2024 are as follows:

	2025	2024	2023
Net income shown in the parent company statements of income	**₱7,111,423,232**	₱4,332,526,162	₱3,502,233,996
Weighted average number of common shares for basic and diluted earnings per share	**6,227,887,491**	6,227,887,491	6,227,887,491
Basic and diluted earnings per share	**₱1.14**	₱0.70	₱0.56

19. **Cost of Production**

	2025	2024	2023
Materials and supplies (Note 6)	**₱3,138,579,148**	₱2,611,864,134	₱1,840,796,540
Depreciation, depletion and amortization (Note 22)	**1,437,050,086**	1,105,109,760	1,097,059,071
Personnel costs (Note 23)	**1,063,547,539**	871,995,766	737,317,502
Utilities	**743,929,757**	533,946,403	427,120,870
Contracted services	**685,544,900**	545,757,101	433,577,571
Taxes, permits, and licenses	**216,577,147**	177,193,716	156,661,013
Surface rights to indigenous people (IP) (Note 28)	**178,013,022**	134,436,609	104,868,172
Community development expenses	**121,614,423**	166,169,593	84,906,605
Royalties to IP (Note 28)	**103,231,720**	63,088,308	48,332,964
Bullion refining and transportation charges	**98,198,761**	85,051,163	85,907,531
Repairs and maintenance	**52,705,562**	36,977,273	11,505,714
Data and communication	**32,721,527**	34,178,501	24,958,815
Insurance	**25,301,813**	31,466,490	30,419,903
Rent (Note 28)	**22,903,240**	2,976,116	10,547,817
Transportation and accommodation	**17,141,828**	10,078,847	7,125,389
Employee activities	**16,873,218**	13,217,993	7,667,753
Professional fees	**16,609,093**	10,260,215	16,882,689
Donations and contributions	**8,089,513**	3,180,548	7,806,024
Representation and entertainment	**2,098,634**	1,658,893	692,564
	₱7,980,730,931	₱6,438,607,429	₱5,134,154,507

The amounts were distributed as follows:

	2025	2024	2023
Mining	**₱2,937,127,991**	₱2,302,745,429	₱1,587,235,410
Milling	**1,165,649,338**	1,070,147,790	920,982,850
Compliance	**942,877,614**	715,478,229	534,036,193
Mine overhead	**2,935,075,988**	2,350,235,981	2,091,900,054
	₱7,980,730,931	₱6,438,607,429	₱5,134,154,507

20. **General and Administrative Expenses**

	2025	2024	2023
Taxes, licenses, and permits	**₱19,948,059**	₱114,595,955	₱20,154,357
Professional fees	**72,249,396**	56,580,767	43,591,124
Personnel costs (Note 23)	**64,326,688**	82,516,290	37,138,645
Insurance	**36,530,001**	4,029,108	907,263
Contracted services	**17,968,646**	27,163,167	4,853,178
Depreciation and amortization (Note 22)	**10,504,936**	10,816,131	9,739,996

(Forward)

	2025	2024	2023
Transportation and accommodation	**₱9,888,507**	₱4,642,701	₱5,496,161
Bank charges	**9,606,286**	2,288,643	16,254,414
Rent (Note 28)	**8,773,078**	7,356,677	5,453,351
Representation and entertainment	**4,643,793**	2,597,594	1,810,594
Donations and contributions	**4,382,475**	2,317,189	1,463,103
Materials and supplies (Note 6)	**2,868,500**	3,439,985	2,670,350
Utilities	**2,584,490**	2,424,776	2,236,375
Data and communication	**1,634,739**	1,560,091	1,230,222
Employee activities	**1,128,887**	1,646,125	3,638,784
Repairs and maintenance	**144,763**	4,448,654	252,137
Others	**3,477,149**	3,706,373	3,275,969
	₱270,660,393	₱332,130,226	₱160,166,023

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

21. **Other Charges** - net

	2025	2024	2023
Payment for tax assessments	**(₱283,585,414)**	₱–	(₱171,414,746)
Provision for impairment of input VAT (Note 11)	**(159,350,713)**	(9,896,187)	–
Foreign exchange loss - net	**(57,034,318)**	(221,155,751)	(44,333,781)
Interest income (Note 4)	**1,470,306**	8,746,217	12,037,669
Revaluation loss on property, plant and equipment (Note 10)	**(422,999)**	–	–
Gain on disposal of equipment (Note 9)	**17,500**	–	–
Miscellaneous	**(9,135,992)**	–	328
	(₱508,041,630)	(₱222,305,721)	(₱203,710,530)

22. **Depreciation, Depletion and Amortization**

	2025	2024	2023
Property, plant and equipment (Note 9)	**₱1,437,050,086**	₱1,105,109,760	₱1,097,059,071
Mining software under "Other noncurrent assets" (Note 11)	**10,504,936**	10,816,131	9,739,996
	₱1,447,555,022	₱1,115,925,891	₱1,106,799,067

The amounts were distributed as follows:

	2025	2024	2023
Cost of production (Note 19)	**₱1,437,050,086**	₱1,105,109,760	₱1,097,059,071
General and administrative expenses (Note 20)	**10,504,936**	10,816,131	9,739,996
	₱1,447,555,022	₱1,115,925,891	₱1,106,799,067

The Parent Company capitalized depreciation, depletion, and amortization costs amounting to ₱91.31 million, ₱89.42 million and ₱100.19 million as part of mine development costs in 2025, 2024 and 2023, respectively (Note 9).

23. Personnel Costs

	2025	2024	2023
Salaries and wages	**₱654,921,154**	₱585,385,908	₱476,960,637
Other employee benefits	**428,213,778**	327,784,434	261,275,153
Retirement benefits cost (Note 14)	**44,739,295**	41,341,714	36,220,357
	₱1,127,874,227	₱954,512,056	₱774,456,147

The amounts were distributed as follows:

	2025	2024	2023
Cost of production (Note 19)	**₱1,063,547,539**	₱871,995,766	₱737,317,502
General and administrative expenses (Note 20)	**64,326,688**	82,516,290	37,138,645
	₱1,127,874,227	₱954,512,056	₱774,456,147

24. Finance Costs

	2025	2024	2023
Interest on loans payable (Note 16)	**₱429,962,262**	₱369,023,975	₱332,375,303
Accretion of financial liability (Note 8)	**126,399,791**	178,972,403	191,342,327
Net interest cost on retirement benefits (Note 14)	**23,917,166**	19,712,112	18,669,804
Accretion expense of provision for mine rehabilitation and decommissioning (Note 15)	**757,667**	721,709	687,450
	₱581,036,886	₱568,430,199	₱543,074,884

25. **Income Taxes**

In 2025, 2024, and 2023, 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 benefit from (provision for) income tax in 2025, 2024 and 2023 is presented below. The provision for current income tax in 2025, 2024 and 2023 pertains to RCIT.

	2025	2024	2023
Current	**(₱1,524,916,251)**	(₱992,934,556)	(₱775,964,900)
Deferred	**(16,134,957)**	60,249,368	46,682,822
	(₱1,541,051,208)	(₱932,685,188)	(₱729,282,078)

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:

	2025	2024	2023
Provision for income tax computed at statutory income tax rate of 25%	**(₱2,163,118,611)**	(₱1,316,302,837)	(₱1,057,879,019)
Difference between OSD and itemized deduction	**1,016,449,911**	661,823,615	515,756,174
Add (deduct) tax effects of:			
Nondeductible expense	**(353,633,301)**	(251,282,947)	(159,190,224)
Changes in unrecognized deferred income tax assets	**(41,116,785)**	(29,109,572)	8,992,120
Interest income subjected to final tax	**367,578**	2,186,553	3,009,417
Provision for tax losses	**–**	–	(39,970,546)
Provision for income tax	**(₱1,541,051,208)**	(₱932,685,188)	(₱729,282,078)

Details of the unrecognized deductible temporary differences as at December 31, 2025 and 2024 are as follows:

	2025	2024
Allowance for impairment losses on:		
Property, plant and equipment	**₱163,097,210**	₱162,674,211
Input VAT	**312,345,581**	152,994,868
Inventory losses and obsolescence	**149,285,012**	144,591,582
Receivables	**1,666,240**	1,666,240
	₱626,394,043	₱461,926,901

The components of deferred tax asset (liability) recognized as at December 31, 2025 and 2024 are as follows:

	2025	2024
Recognized in profit and loss:		
Unrealized foreign exchange gain - net	**₱23,686,609**	₱55,813,777
Retirement benefit obligation	**123,856,779**	108,053,987
Provision for mine rehabilitation and decommissioning cost	**3,990,408**	3,800,991
	151,533,796	167,668,755
Recognized in other comprehensive income:		
Remeasurement gain (loss) on pension liability	**749,397**	(9,156,905)
Revaluation surplus on property, plant and equipment	**(345,984,528)**	(55,366,629)
	(345,235,131)	(64,523,534)
	(₱193,701,335)	₱103,145,221

Enhanced Fiscal Regime for Large-Scale Metallic Mining Act or Republic Act No. 12253 (RA 12253)

Republic Act No. 12253, or the Enhanced Fiscal Regime for Large-Scale Metallic Mining Act, was signed into law on September 4, 2025 and became effective on September 20, 2025. Its Implementing Rules and Regulations (IRR) were issued on December 18, 2025, with the new fiscal regime applying to mining contractors and operators starting February 17, 2026.

RA 12253 covers large-scale metallic mining operations under mineral agreements or FTAAs. Patented mining claims segregated from the public domain and excluded from such agreements are not subject to the new taxes unless ruled otherwise by the Supreme Court.

The law defines income from metallic mining operations as gross output minus allowable deductions, including:

- Mining, milling, transport, smelting, and refining costs
- General and administrative expenses
- Environmental and community development expenses
- Lease and royalty payments
- Continuing exploration and development costs
- Necessary interest expenses (subject to related-party debt limits)
- Depreciation, depletion, and amortization
- Duties, fees, and taxes (excluding royalty and windfall profits tax)

Key fiscal provisions include:

- 5% royalty on minerals extracted within mineral reservations
- 1%–5% margin-based royalty outside mineral reservations (minimum of 0.1% if margin ≤ 0%)
- Windfall profits tax (1%–10%) based on the ratio of net income to gross output; corporate income tax and royalty taxes are deductible in computing the margin

Each mineral agreement or FTAA is treated as a separate taxable entity for royalty and windfall tax purposes.

The fiscal terms under RA 12253 will apply to new agreements, while existing ones remain under their original terms unless they allow automatic adoption of new laws.

As of December 31, 2025, the Bureau of Internal Revenue (BIR) has not yet issued revenue regulations needed to fully implement the changes. RA 12253 is therefore not considered substantively enacted as of that date.

RA 12253 is not considered substantively enacted as of December 31, 2025, because the transitory clause in the IRR provides that large-scale metallic mining contractors and/or operators shall be subject to the fiscal regime provided therein only on February 17, 2026.

The Parent Company is currently assessing the impact of the amendments introduced by RA 12253 on its December 2026 consolidated financial statements based on the provisions of the IRR. The Group will reassess the impact of RA 12253 on its financial statements after the relevant revenue regulations have been issued by the BIR.

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 and cash equivalents, 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, 2025 and 2024.

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

	2025				
	General Approach			Simplified	
	Stage 1	Stage 2	Stage 3	Approach	Total
Cash with banks and short-term deposits	**₱2,794,957,479**	**₱–**	**₱–**	**₱–**	**₱2,794,957,479**
Receivables:					
Trade	**2,007,521,121**	**–**	**–**	**–**	**2,007,521,121**
Others	**28,304,016**	**–**	**1,666,240**	**–**	**29,970,256**
Advance to related parties	**4,808,492,417**	**–**	**–**	**–**	**4,808,492,417**
MRF classified under "Other noncurrent assets"	**–**	**28,826,025**	**–**	**–**	**28,826,025**
	₱9,639,275,033	**₱28,826,025**	**₱1,666,240**	**₱–**	**₱9,669,767,298**

	2024				
	General Approach			Simplified	
	Stage 1	Stage 2	Stage 3	Approach	Total
Cash with banks and short-term deposits	₱2,729,325,812	₱–	₱–	₱–	₱2,729,325,812
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
	₱8,191,184,919	₱28,298,187	₱1,666,240	₱–	₱8,221,149,346

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, 2025 and 2024.

2025	**Total**	**On demand**	**Less than three (3) months**	**Three (3) to 12 months**	**More than 12 months**
Trade and other payables					
Trade	**₱936,014,683**	**₱936,014,683**	**₱–**	**₱–**	**₱–**
Nontrade*	**297,075,733**	**297,075,733**	**–**	**–**	**–**
Accrued expenses	**246,300,405**	**246,300,405**	**–**	**–**	**–**
Payable to employees	**113,328,125**	**113,328,125**	**–**	**–**	**–**
Retention fees	**58,200,439**	**58,200,439**	**–**	**–**	**–**
Dividends payable	**75,969,064**	**75,969,064**	**–**	**–**	**–**
Others	**12,900,577**	**12,900,577**	**–**	**–**	**–**
Financial liability**	**2,234,020,000**	**–**	**1,117,010,000**	**–**	**1,117,010,000**
Advances from related parties	**560,701,150**	**560,701,150**	**–**	**–**	**–**
Loans payable	**6,076,486,065**	**–**	**924,338,077**	**1,572,115,028**	**3,580,032,960**
Future interest payments	**58,766,962**	**–**	**12,148,919**	**31,192,436**	**15,425,607**
	₱10,669,763,203	**₱2,300,490,176**	**₱2,053,496,996**	**₱1,603,307,464**	**₱4,712,468,567**

**Excluding royalties payable and surface rights payable amounting to ₱37.69 million.*
***Gross contractual payments*

2025	**Total**	**On demand**	**Less than three (3) months**	**Three (3)to 12 months**	**More than 12 months**
Cash and cash equivalents	**₱2,797,986,862**	**₱2,789,247,852**	**₱8,739,010**	**₱–**	**₱–**
Trade and other receivables					
Trade	**2,007,521,121**	**2,007,521,121**	**–**	**–**	**–**
Others	**29,970,256**	**28,304,016**	**–**	**–**	**1,666,240**
Advances to related parties	**4,808,492,417**	**4,808,492,417**	**–**	**–**	**–**
MRF classified under					
"Other noncurrent assets"	**28,826,025**	**–**	**–**	**–**	**28,826,025**
	₱9,672,796,681	**₱9,633,565,406**	**₱8,739,010**	**₱–**	**₱30,492,265**

2024	Total	On demand	Less than three (3) months	Three (3) to 12 months	More than 12 months
Trade and other payables					
Trade	₱718,803,143	₱718,803,143	₱–	₱–	₱–
Nontrade*	297,075,733	297,075,733	–	–	–
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**	3,337,825,000	–	1,103,805,000	–	2,234,020,000
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
Future interest payments	203,479,807		42,872,935	105,140,304	55,466,568
	₱12,650,434,237	₱2,335,508,616	₱2,367,162,372	₱1,222,306,616	₱6,725,456,633

**Excluding royalties payable and surface rights payable amounting ₱26.83 million.*
***Gross contractual payments*

2024	Total	On demand	Less than three (3) months	Three (3) to 12 months	More than 12 months
Cash and cash equivalents	₱2,731,389,483	₱2,722,777,243	₱8,612,240	₱–	₱–
Trade and other receivables					
Trade	1,210,608,874	1,210,608,874	–	–	–
Others	27,564,698	25,898,458	–	–	1,666,240
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	₱8,184,636,350	₱8,612,240	₱–	₱29,964,427

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, 2025 and 2024 are as follows:

	2025		2024	
	US$	**Php**	US$	Php
Financial Assets				
Cash and cash equivalents	**$22,092,906**	**₱1,298,841,944**	$35,349,953	₱2,044,994,781
Trade receivables	**33,770,161**	**1,985,347,765**	20,845,261	1,205,898,349
	55,863,067	**3,284,189,709**	56,195,214	3,250,893,130
Financial Liabilities				
Trade payables	**$2,950,937**	**171,606,465**	$3,021,102	174,770,735
Loans payable	**74,400,000**	**4,373,976,000**	10,931,840	632,406,944
Financial liability	**36,711,588**	**2,158,274,259**	53,557,815	3,208,993,669
	114,062,525	**6,703,856,724**	67,510,757	4,016,171,348
Net financial liabilities	**($58,199,458)**	**(₱3,419,667,015)**	($11,315,543)	(₱765,278,218)

As at December 31, 2025 and 2024, the closing exchange rates based on the Bankers Association of the Philippines peso to US$1.00 were ₱58.79 and ₱57.85, 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, 2025 and 2024 are as follows:

	2025		2024	
	Change in foreign exchange	**Effect in income (loss) before tax**	Change in foreign exchange	Effect in income (loss) before tax
US$	**₱0.36**	**₱20,835,406**	₱0.68	(₱8,952,650)
	(0.40)	**(23,279,783)**	(0.79)	10,443,992

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 gold prices, relative to the financial statements, for 2025 and 2024 is as follows:

	Change in gold metal price	Effect on income (loss) before tax
2025	**Increase by 101%**	**₱17,993,404,256**
	Decrease by 101%	**(17,993,404,256)**
2024	Increase by 14%	₱1,792,919,373
	Decrease by 14%	(1,792,919,373)

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, 2025 and 2024.

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

	2025	2024
Capital stock	**₱6,227,887,491**	₱6,227,887,491
APIC	**15,941,675**	15,941,675
Retained earnings	**21,737,660,354**	15,771,753,061
	₱27,981,489,520	₱22,015,582,227

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.

			Fair Value Measurement		
	Date of Valuation	Total	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Property, plant, and equipment	**2025**	**₱16,658,376,689**	**₱6,311,369,773**	**₱–**	**₱10,347,006,916**
(Note 9)	2024	₱12,888,392,796	₱–	₱–	₱12,888,392,796

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 2025, 2024 and 2023 royalties to IP recognized under "Cost of Production" amounted to 103.23 million, ₱63.09 million, and ₱48.33 million, respectively (see Note 19). Royalties payable presented under nontrade in trade and other payables amounted to ₱11.39 million and ₱6.07 million as at December 31, 2025 and 2024, respectively.

In 2025, 2024 and 2023 surface rights to IP recognized under "Cost of Production" amounted to ₱178.01 million, ₱134.44 million, and ₱104.87 million, respectively (see Note 19). Surface rights payable presented under nontrade in trade and other payables amounted to ₱26.30 million and ₱20.76 million as at December 31, 2025 and 2024, respectively.

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 ₱31.68 million, ₱10.33 million, and ₱16.00 million in 2025, 2024 and 2023, respectively (see Notes 19 and 20). All such lease commitments, whether short-term, low-value, or long-term, have no rent escalation clauses, resulting in cash outflows that closely correspond to the lease expenses recognized during the period.

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.

On April 1, 2025, the Parent Company renewed its Refining and Transportation Agreement, covering its gold and silver bullion production with Heraeus valid until March 31, 2027.

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 consists of (a) revenue, (b) cost and expenses (excluding depreciation, depletion and amortization), (c) excise tax, (d) general and administrative expenses (excluding depreciation, depletion and amortization) and (e) other income (charges) excluding interest income and non-recurring items, and is computed as follows:

The Parent Company's EBITDA amounted to ₱10.96 billion, ₱6.94 billion, and ₱6.04 billion in 2025, 2024 and 2023, respectively, computed as follows:

	2025	2024	2023
(a) Revenue	**₱18,705,360,108**	₱13,373,652,603	₱10,696,327,705
(b) Cost and expenses	**(6,543,680,845)**	(5,333,497,669)	(4,037,095,436)
(c) Excise tax	**(712,415,828)**	(546,967,678)	(423,705,687)
(d) General and administrative expenses	**(260,155,457)**	(321,314,095)	(150,426,027)
(e) Other expenses	**(225,926,522)**	(231,051,938)	(44,333,453)
	₱10,963,181,456	₱6,940,821,223	₱6,040,767,102

31. **Supplemental Disclosure to Statements of Cash Flows**

The following tables summarize the changes in liabilities from financing activities in 2025, 2024 and 2023:

	January 1, 2025	**Availments**	**Payments**	**Reclassification**	**Others**	**December 31, 2025**
Current liabilities:						
Bank loans	**₱2,337,650,749**	**₱–**	**(₱2,523,904,078)**	**₱2,682,706,434**	**₱–**	**₱2,496,453,105**
Financial liability	**925,572,825**	**–**	**(1,103,805,000)**	**1,174,366,351**	**–**	**996,134,176**
Dividend payable	**59,437,064**	**–**	**(848,397,012)**	**–**	**864,929,012**	**75,969,064**
Advances from related parties	**951,955,099**	**–**	**(391,253,949)**	**–**	**–**	**560,701,150**
Noncurrent Liabilities:						
Bank loans	**4,435,970,065**	**1,775,840,000**	**–**	**(2,682,706,434)**	**50,929,329**	**3,580,032,960**
Financial liability	**2,172,478,971**	**–**	**–**	**(1,174,366,351)**	**164,027,463**	**1,162,140,082**
	₱10,883,064,773	**₱1,775,840,000**	**(₱4,867,360,039)**	**₱–**	**₱1,079,885,803**	**₱8,871,430,537**

Other movements in financing activities in 2025 pertain to the following:

a. Foreign exchange loss on bank loans amounting to ₱50.93 million
b. Accretion of interest and foreign exchange loss on financial liability amounting to ₱126.40 million and ₱37.63 million, respectively.
c. Dividend declaration amounting to ₱864.93 million.

	January 1, 2024	Availments	Payments	Reclassification	Others	December 31, 2024
Current liabilities:						
Bank loans	₱3,925,082,171	₱–	(₱3,779,905,574)	₱2,192,474,152	₱–	₱2,337,650,748
Financial liability	836,661,303	–	(1,064,095,000)	1,153,006,522	–	925,572,825
Dividend payable	50,627,881	–	(498,346,380)	–	507,155,563	59,437,064
Advances from related parties	1,508,394,987	–	(556,439,888)	–	–	951,955,099
Noncurrent Liabilities:						
Bank loans	766,057,584	5,858,343,000	–	(2,192,474,152)	4,043,632	4,435,970,065
Financial liability	3,008,811,659	–	–	(1,153,006,522)	316,673,833	2,172,478,971
	₱10,095,635,585	₱5,858,343,000	(₱5,898,786,842)	₱–	₱827,873,029	₱10,100,556,874

Other movements in financing activities in 2024 pertain to the following:

a. Foreign exchange loss on bank loans amounting to ₱4.04 million.
b. Accretion of interest and foreign exchange loss on financial liability amounting to ₱178.97 million and ₱137.70 million, respectively.
c. Dividend declaration amounting to ₱507.16 million.

	January 1, 2023	Availments	Payments	Reclassification	Others	December 31, 2023
Current Liabilities:						
Bank loans	₱3,970,464,232	₱–	(₱721,307,870)	₱675,925,809	₱–	₱3,925,082,171
Financial liability	–	–	–	645,318,976	191,342,327	836,661,303
Dividend payable	5,578,782	–	(288,896,456)	–	333,945,555	50,627,881
Advances from related parties	1,626,895,890	–	(118,500,903)	–	–	1,508,394,987
Noncurrent Liabilities:						
Bank loans	1,475,134,467	–	–	(675,925,809)	(33,151,074)	766,057,584
Financial liability	–	–	–	(645,318,976)	3,654,130,635	3,008,811,659
	₱7,078,073,371	₱–	(₱1,128,705,229)	₱–	₱4,146,267,443	₱9,147,941,748

Other movements in financing activities in 2023 pertain to the following:

a. Foreign exchange gain on bank loans amounting to ₱33.15 million.
b. Accretion of interest and initial recognition of financial liability amounting to ₱191.34 million and ₱3,654.13 million, respectively.
c. Dividend declaration amounting to ₱333.95 million.

The Parent Company had no non-cash investing and financing activities in 2025 and 2024 which were considered in the preparation of the parent company statements of cash flows.

32. Events after the Reporting Period

Below are the events after the reporting period which are treated as non-adjusting event as at December 31, 2025:

Declaration of cash dividends
On March 17, 2026, the Parent Company declared regular and special cash dividends of ₱0.24612 and ₱0.36918 per common share, respectively, for a total aggregate amount of ₱3.83 billion. The cash dividends are payable on April 27, 2026 to stockholders of record holding shares of the Parent Company's common stock as of close of business on April 15, 2026.

Appropriation of retained earnings
On March 17, 2026, the BOD approved the appropriation of retained earnings amounting to ₱12.00 billion in relation to drain tunnel, mill plant construction and other expansion projects which is expected to be completed in three (3) to four (4) years.

33. Reclassification

The parent company statements of cash flows for the years ended December 31, 2024 and 2023 have been reclassified to conform to the year ended December 31, 2025, particularly, the advances from and to related parties were transferred from operating activities to financing activities and investing activities, respectively, as follows:

	2024	2023
CASH FLOWS USED IN INVESTING ACTIVITIES		
Increase in advances to related parties	(₱603,809,963)	(₱1,912,155,829)

	2024	2023
CASH FLOWS USED IN FINANCING ACTIVITIES		
Payments of advances from related parties	(₱391,253,949)	(₱556,439,888)

The changes did not result to any change in the net increase in cash and cash equivalents of the Parent Company for the years ended December 31, 2024 and 2023.

34. 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 2025:

a. VAT

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 Parent Company's sales are subject to zero-rated output VAT. The Parent Company declared zero-rated VAT sales, which arise from 100% export sales of gold and silver bullion, pursuant to BOI certification received by the Parent Company as a new producer of gold, silver bullion, copper concentrates with gold, silver, zinc and lead values on a non-pioneer status.

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

Balance as of January 1, 2025	₱1,189,668,534
Deferred input VAT, January 1, 2025	21,868,136
Add current year's domestic purchases/payments for:	
Capital goods not subject to amortization	37,499,662
Importation of goods other than capital goods	161,549,535
Goods and services	144,820,235
Output VAT - offset	–
Deferred input VAT, December 31, 2025	(7,026,044)
Approved & denied VAT – taxable year 2023	(556,150,427)
Balance as of December 31, 2025	₱992,229,631

b. Importations
The total dutiable value and the amount of custom duties and tariff fees paid and accrued for the year ended December 31, 2025 follows:

Dutiable value	₱1,598,017,824
Amount paid for customs duties and tariff fees	31,228,858
Landed cost of imports	₱1,629,246,682

c. Excise tax
Excise taxes for the year ended December 31, 2025, resulting from the production of gold and silver amounted to ₱712,415,828.

d. Documentary stamp tax
Documentary stamp taxes paid for the year ended December 31, 2025, pertaining to bank loan renewals/roll-over amount to ₱19,671,817.

e. Other taxes and licenses
All other local and national taxes paid for the year ended December 31, 2025 consist of:

Municipal taxes	₱190,730,914
Mayor’s permit	18,212,666
Real property tax	7,200,451
Community tax	21,000
Registration fees	500
Others	687,857
	₱216,853,388

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, 2025 consist of:

	Paid	Accrued	Total
Expanded withholding tax	₱101,400,306	₱12,940,542	₱114,340,848
Withholding tax on compensation	87,642,360	22,692,152	110,334,512
Final withholding tax	86,456,951	25,003,531	111,460,482
	₱275,499,617	₱60,636,225	₱336,135,842

g. Income Taxes
The Parent Company has paid income taxes for the year ended December 31, 2025, amounted to ₱1,456,682,529 of which ₱328,255,928 is payment for income tax for the year ended December 31, 2024.

h. Tax cases
The Parent Company has no outstanding tax cases in any other court or bodies outside of the BIR as of December 31, 2025.

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

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

We have audited the accompanying financial statements of Apex Mining Co., Inc. (the Parent Company), as at and for the year ended December 31, 2025, on which we have rendered the attached report dated March 17, 2026.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the above Company has two thousand four hundred sixty-five (2,465) stockholders owning one hundred (100) or more shares each.

SYCIP GORRES VELAYO & CO.

Jose Pepito E. Zabat

Jose Pepito E. Zabat III
Partner
CPA Certificate No. 85501
Tax Identification No. 102-100-830
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 85501-SEC (Group A)
Valid to cover audit of 2020 to 2024 financial statements,
with extension up to audit of 2025 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-060-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10765157, January 2, 2026, Makati City

March 17, 2026