

ABOUT THE COVER

Expert and experienced miners are at the forefront of Apex Mining's successful underground operations.

In photo (l to r) Arnie T. Pepito, Mine Infra Leadman and Alfredo L. Rabago Jr., UG Equipment Operator.

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COMPANY PROFILE

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

APX owns and operates the Maco Gold Mine in Davao De Oro (Southern Mindanao). Its wholly-owned subsidiary, Itogon-Suyoc Resources Inc., acquired in 2015, operates the Sangilo Mine Site in Itogon and manages the Suyoc Mine Site in Mankayan, both in Benguet. The Sangilo Mine started commercial operations in 2020 and contributes 10% to APX's production and revenues. The Suyoc Mine is still under care and maintenance.

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

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

VISION

To become the country's leading, globally recognized responsible mining conglomerate by 2035.

MISSION

We are a responsible and sustainable publicly listed Philippine mining conglomerate with global presence operating within the ESG framework.

Through innovative technology, we enhance efficiency, productivity and profitability to increase stakeholder value.

Our culture of "malasakit" propels us to nurture thriving communities, a safe workplace, and a high-performing team.

As an employer of choice, we provide equal opportunities for our people to reach their maximum potential.

All these we do to manifest our sincere commitment to improve the lives of the Filipino people and contribute to nation building.

VALUES

Malasakit **I**nnovation **N**urture **E**xcellence **R**esponsibility **O**ne team, one game
Commitment **A**gility **R**esilience **E**thical **S**afety & Sustainability

EXECUTIVE OFFICERS

JOSE EDUARDO J. ALARILLA

Chairman of the Board

LUIS R. SARMIENTO, ASEAN Eng.

President and Chief Executive Officer

BILLY G. TORRES

Senior Vice President - Chief Finance Officer, Treasurer and Compliance Officer

ERIC S. ANDAL, PhD

Vice President, Geology and Exploration

EMELITA C. FABRO

Vice President, Corporate Administration

ATTY. RODULFO A. PALMA

Vice President, Legal, Mine Compliance and Risks

ATTY. SILVERIO BENNY J. TAN

Corporate Secretary

ATTY. JONAS S. KHAW

Assistant Corporate Secretary

BOARD OF DIRECTORS



JOSE EDUARDO J. ALARILLA

Chairman of the Board



LUIS R. SARMIENTO, ASEAN Eng.

President and CEO



STEPHEN A. PARADIES

Director



MICHAEL RAY B. AQUINO

Director



ROEL Z. CASTRO

Director



JOSELITO H. SIBAYAN

Independent Director



VALENTINO S. BAGATSING

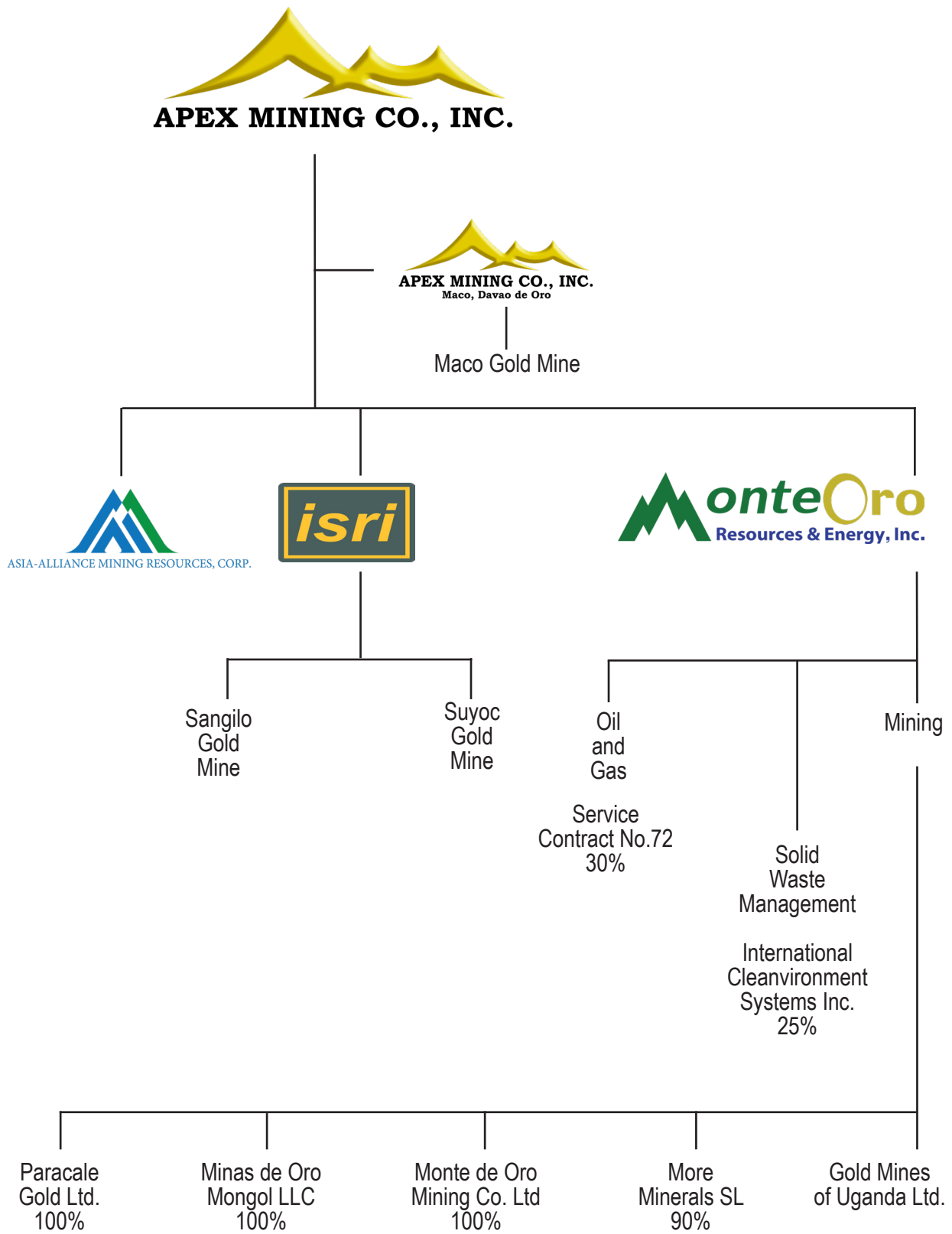
Independent Director



ATTY. SILVERIO BENNY J. TAN

Corporate Secretary

CORPORATE AND BUSINESS STRUCTURE





Chairman of the Board Jose Eduardo J. Alarilla and Luis R. Sarmiento, ASEAN Eng., President and CEO

MESSAGE FROM THE CHAIRMAN

The year 2025 was another stellar year for gold as heightened investment activity drove overall demand growth. According to the World Gold Council, the LBMA gold price recorded 53 new all-time highs during the year. Pushing investment interest were safe-haven and diversification, along with price-driving motivations.

Apex Mining rode this positive trend, finishing 2025 with a strong bottom line: a 41% increase in our consolidated revenues — P21.3 billion in 2025 vs P15.1 billion in 2024. The Board has decided to share this blessing with the shareholders by doubling our annual regular dividend payout from 10% to 20% and adding a 30% special cash dividend. Thus, our total dividend payout based on our 2025 performance is P3.83 billion.

Today, oil supply and price shocks borne of the US-Israel-Iran conflict dominate the headlines. The rush to liquidity has caused the price of gold to drop, at one point by a thousand dollars from its historical high of US\$ 5,600 in January 2026. It is now at the US\$ 4,700 level. Will these spell boon or bane for gold? Volatile seems to be the prevailing sentiment. But one thing is certain: Apex Mining is well equipped to address any difficulty or situation that may arise from these uncertain times. We have the mineral reserves, resources, the knowhow, the equipment, and more importantly, the talent backed by informed strategy and proactive foresight to overcome and prevail.

Alongside our commitment to provide consistently good returns to our shareholders, we are also looking towards the future, already formulating plans for expansion beyond our current operating mines or ramping up the production capacity of each operating mine. We are also heavy into consolidating the capacities of our mines, looking for more areas of synergy where possible.

The year 2025, while challenging, was a good one for Apex Mining. I would like to extend my sincerest appreciation to you, our dear shareholders for your consistent support of Apex Mining, our board members for their guidance, and our hardworking Apex Mining team — our miners, support staff and service providers – for their consistent exemplary hard work.

May our Lord Almighty continue to steer our company, protect our miners and bless our stakeholders.



Jose Eduardo J. Alarilla
Chairman

MESSAGE FROM THE PRESIDENT AND CEO

Dear shareholders:

In 2025, we refreshed our vision-mission-core values to rally all our employees to rise up to the challenges of an increasingly volatile and highly-regulated business environment. We are now looking towards global shores as we strive for a bigger contribution to nation-building. And with this expanded corporate world view, we hit the ground running in 2025.

Our consolidated revenues increased to P21.3 billion in 2025 from P15.1 billion in 2024 representing year-on-year increase of 41% or P6.2 billion. Thanks to the realized metal prices averaging \$3,531 per ounce for gold and \$43.04 per ounce for silver, 2025 consolidated revenue is our new record high. However, the lower average ore grades resulted in a four percent decrease in gold sales volume to 100,425 ounces, compared to 104,107 ounces in 2024. In contrast, silver sales increased by four percent to 365,007 ounces, from 350,151 ounces in the previous year.

On a consolidated basis, the Apex Mining group milled 1,098,362 tonnes in 2025, a five percent increase from 1,047,023 tonnes in 2024; average gold recovery improved to 87.59%, compared to 85.69% in the prior year.

Based on the Mine Reserves and Resource Certifications of 2025, our Maco Mine has enough reserves and resources to continue until 2034 at a daily production rate of at least 3,000 tonnes. As the exploration program for MPSA 225 and MPSA 234 continued all throughout 2025, we also did groundwork to validate the prospects in the vast tenement of the Asia-Alliance Mining Resources Corp.

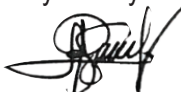
Always taking to heart our commitment to sustainable mining, your company spent more than P159 million for our environmental management activities focused on the Maco Mine and our surrounding communities. Alongside the growth of our operations is the increase in our support to our host and neighboring communities, too, with our SMDP spending in 2025 reaching P107 million (versus 2024's P101.3 M). Our elite team of ERTs were very much front and center of emergency response initiatives both here and abroad, too. For two weeks following the strong earthquake that hit Myanmar in late March, our ERTs were part of the private-public, multi-sectorial Philippine mission sent there to help in the search, rescue and retrieval operations. Miners, indeed, are some of the bravest people around.

In 2025, Apex Mining also earned two international recognitions: Bronze Award as Best Managed Company in the Basic Materials/Industry Category) at the Asia's Best Companies 2025 spearheaded by Finance Asia, and, Best Under a Billion 2025 from the media giant, Forbes Asia. Locally, we were again given the nod as the Safest Underground Operation at the Safest Mines Award of the Mines and Geosciences Bureau.

Through the years, we have been focusing on strengthening and stabilizing our balance sheet, channeling our earnings back to mining operations, exploration and development of new sources of ores and acquisition of new machineries and equipment. Our strong fundamentals will make us withstand the challenges of 2026. The price of gold, for one, has been erratic because of the oil supply and price shocks caused by the US-Israel-Iran conflict. In fact, at one point, in the rush to liquidity by investors, the price of gold dipped, at one point, by a thousand dollars from its historical high of US\$ 5,600 in January 2026. It is now at the US\$ 4,700 level – still lower than the 2025 high. We will continue to practice prudence in spending to protect and further strengthen our cash flow position.

Apex Mining continues to move forward, with gratitude to God's faithfulness. We thank you, our shareholders and ever-supportive Board of Directors, our host LGUs and communities, IPs and regulators. We are extra grateful for our High Performance team, our partners and contractors, whose commitment and dedication continue to propel Apex Mining to greater heights. The continued success of Apex Mining is not built by one party, alone, but on the seamless coming together of all stakeholders. Let us never lose sight of our reason for being — to be relevant contributor to the progress of our country.

Thank you very much and together, let us keep on going for the gold.

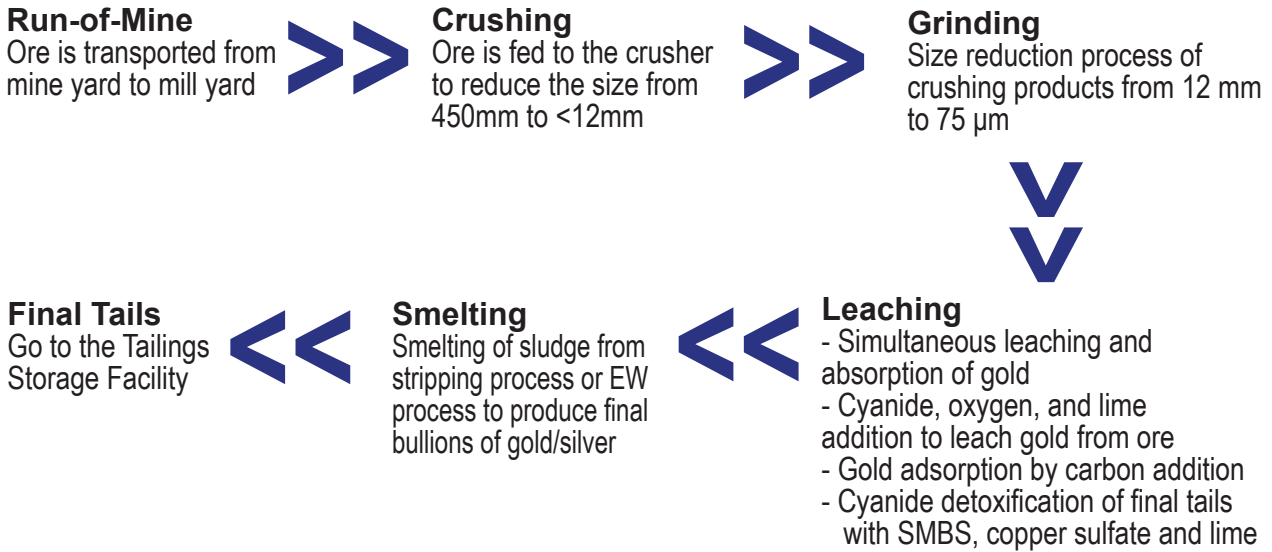


Luis R. Sarmiento, ASEAN Eng
President and CEO



Aerial view of the Maco Mine Site

MINING AND MILLING PROCESS



MINERAL RESOURCE AND ORE RESERVES

The estimated mineral resource for MPSA-225-2005-XI and MPSA-234-2007-XI amounted to 10.39 million tonnes at a grade of 4.75 gpt and 907.7 thousand tonnes at a grade of 4.89 gpt, respectively, while the estimated mineral reserves amounted to 9.09 million tonnes at a grade of 4.81 gpt and 859.0 thousand tonnes at a grade of 5.04 gpt, respectively. Both mineral resource and reserve are from respective Competent Person (CP) reports dated March 23, 2026.

Below is the summary of the estimated mineral resource and ore reserves covering certain veins/areas of the Maco mine as reported by independent competent person compliant with the Philippine Mineral Reporting Code (PMRC). The ore reserves are derived from and not additional to the declared mineral resources.

Estimated Mineral Resource @ Cut-Off Grade of 1.0 gpt

Category	MPSA-225-2005-XI			MPSA-234-2007-XI		
	Tonnes	Grade (gpt)	Estimated gold (in ounces)	Tonnes	Grade (gpt)	Estimated Gold (in ounces)
Measured	4,870,000	5.24	820,730	357,250	5.80	66,570
Indicated	5,520,000	4.31	764,870	550,470	4.30	76,020
Subtotal	10,390,000	4.75	1,585,600	907,720	4.89	142,590
Inferred	5,900,000	3.8	723,100	478,500	3.8	58,200

The above figures were lifted from the technical report duly notarized on 24 March 2026 on the exploration results and mineral resources covering veins in MPSA-225-2005-XI, prepared and submitted by Mr. Leo A. Sosa, a registered Geologist with License No. 652 and is an accredited CP on Exploration Results and Mineral Resource Estimation with the PMRC/ Geological Society of the Philippines CP Registration No. 11-09-01

Estimated Mineral Reserves @ Cut-Off Grade of 1.20 gpt

Category	MPSA-225-2005-XI			MPSA-234-2007-XI		
	Tonnes	Grade (gpt)	Estimated Gold (in ounces)	Tonnes	Grade (gpt)	Estimated Gold (in ounces)
Proved	7,993,000	4.89	1,238,050	682,000	5.29	114,290
Probable	1,103,000	4.29	152,130	177,000	4.10	23,280
Total / Average	9,096,000	4.81	1,390,180	859,000	5.04	137,570

The above figures were lifted from the technical report duly notarized on 23 March 2026 on the 2026 report for economic assessment and mineral reserve estimation of the gold vein deposits of Maco mines within MPSA-225-2005-XI prepared and submitted by Mr. Constancio A. Paye, Jr., a registered Mining Engineer with License No. 0001292 and is an accredited CP with PMRC with CP Registration No. EM-ACP-074-0001292.

OPERATIONS REPORT

Geology and Exploration

For the year 2025, underground drilling activities in MPSA-225 were focused on the vertical and lateral extensions of major Maco Mine veins and vein splays. A total of 18,582.3 meters have been drilled. There were two (2) in-house and two (2) contract diamond drill rigs dispatched to execute five (5) underground exploration drilling programs. A total of 18,525.30 meters was drilled in 2025, distributed among forty-one (41) drill holes, thirty-seven (37) of which were completed as planned, two (2) were pre-terminated, and two (2) actively drilling through 2026.

For surface drilling, a total of 13,332.4 meters were completed for MPSA-225 and MPSA-234.

Mining Operations

The total mine production of Maco mine in 2025 was 929,235 tonnes with an average grade of 3.48 grams per tonne (gpt) compared to 920,925 tonnes with an average grade of 4.10 grams per tonne (gpt) in 2024.

In 2025 and 2024, off-vein mine development for access drives advanced 7,497 and 6,066 meters, respectively, while on-vein mine development for ore advanced 13,019 and 11,540 meters, respectively.

Milling Operations

In 2025, total ounces of gold produced was 84,201, while silver totaled 345,600 ounces. Milling production increased by six percent to 954,756 tonnes from 899,002 in 2024. Tonnage per day also went up by seven percent, from 2,588 TPD in 2024 to 2,775 TPD in 2025.

SOCIAL DEVELOPMENT AND MANAGEMENT PROGRAM

Corporate Social Responsibility

APX spent P107.7M in 2025 for the three major components of its Social Development and Management Program or SDMP: (1) Development of Host and Neighboring Communities (DHNC); (2) Information and Education Communication and, (3) Development of Mining Technology and Geosciences (DMTG).

Host Barangays:

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

Municipality of Mabini: Golden Valley

Neighboring Barangays:

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

Indigenous People: Mansaka

Development of Host and Neighboring Communities (DHNC) - P79.5 million

The Apex Mining Co., Inc. priority Programs, Projects and Activities (PPAs) for the Development of Host and Neighboring Communities are summarized in the acronym HELPS, which stands for Health & Medical Assistance, Educational Support, Livelihood Program, Public Infrastructure Programs and Socio-cultural and Religious Support.

Health & Medical Assistance

In 2025, APX also continued to support the community health centers and medical personnel of its host and neighboring barangays.

Six medical personnel were supported and deployed as community doctors for various outreach initiatives. Through these initiatives, a total of 11,860 patients were served in host and neighboring barangays.

APX also provided medicines, medical apparatus, support to bloodletting, subsidy and other health related activities to the health centers of both host and neighboring communities. For the whole year of 2025, 27,562 patients were provided medical apparatus and supplies.

Municipal Health Offices (MHOs) in Maco, Mabini, and Mawab were also assisted. In the 37 barangays of Maco, 87,094 residents were served. As for the 11 barangays in Mabini, 45,841 residents were served. In Mawab, 44 patients were provided anti-rabies vaccines.

APX was also able to provide health and medical assistance through partner agencies, such as during the Barkadahan sa Kabarangayan medical consultation activities. A total of 28,772 patients were served.

APX also conducted and participated in other health intervening programs, such as:

- Provincial health fair (dental) in Davao de Oro, where 88 patients were assisted
- Relief goods operation at Tebow Cure Children's Hospital (Davao) where 1,135 children were assisted
- Medical Mission-Christ the King Specialist Hospital, Annual Blood Donation Program, and World Cancer Day, where 742 patients were helped
- A total of 6 municipalities in Davao de Oro were provided Quatro Agua Tents





APEXcares
MINING CO., INC.

PUSONG
MINERO

MINING CO., INC.

Educational Support

In 2025, APX continued to aim for quality education, skills enhancement, and making the students, the youth, and general constituency of APX's host and neighboring barangays become more competitive and employable.

In support of the Balik Eskwela Program, APX participated in Brigada Eskwela and assisted 23 schools in their preparation for the academic year, providing assorted construction materials to aid in the beautification and preparation of school facilities.

In support of primary and secondary education, APX endeavored to provide a free education program to all Elementary and High School (K-12) students, extended to cover mandatory school-related obligations such as BSP, GSP, insurance and school publications, providing assistance to 2,905 students.

APX also provided salary augmentation to 13 Local School Board (LSB) teachers.

Transportation assistance was also extended to 120 students residing in Sitio Biucadan of Barangays Masara and Teresa following the resumption of face-to-face classes.

APX also gave tokens of appreciation to 300 teachers in adopted schools as a gesture of gratitude for their dedication and service.

At the tertiary level, APX supported 14 nursing scholars through a scholarship program. An additional five nursing scholars from host barangays were supported for their licensure examination. In partnership with Monark Foundation Inc., 20 APX-Monark scholars were provided opportunities for technical skills development and heavy equipment servicing.

APX also continued to establish its training academy known as Apex Community Technological Training and Assessment Center (ACT-TACI) to provide skills development and competency assessments for the community. In partnership with TESDA, the two batches consisting of 50 scholars were supported—enrolled in Driving NC II and Heavy Equipment Operation (Hydraulic Excavator) NC II.

As for the Alternative Learning Systems (ALS) Program, APX partnered with DepEd-ALS of Davao de Oro. A total of 395 learners were provided instructional learning materials. Salaries of five facilitators were also augmented throughout the school year.

For special education assistance and as an additional response to the 2024 Masara landslide, APX supported 34 orphan (children of the deceased victims), specifically those of school age below the tertiary level who were not covered under the existing scholarship program.

Livelihood Program

APX continued to provide alternative sources of income to the surrounding community in 2025. Most of the projects were focused on providing training and assisting active associations and farmers in the host and neighboring barangays.

Seminars on food manufacturing, food safety, packaging, and labeling, were conducted with 19 beneficiaries. As for cacao production, 120 farmers were provided training.

Moreover, APX also helped not only the farmers association but also those who participated in the company's demonstration farm which supplied cacao beans to the chocolate facilities located in the tenement. Total of 100 individuals belonging to different associations (Based Agro Enterprise Association, Barangay Gubatan Cacao Producers Association, Tagbaros Corn Farmers) were supported.

Meanwhile, 1,750 cacao seedlings were distributed to Barangays Gubatan and Elizalde. Seed capital and additional supplies for chocolate production were also provided. Cacao and durian seedlings were also given to 26 farmers belonging to various associations.

Alternative livelihood opportunities were also provided by APX, such as road-side clearing activities in various barangays, as well as removal of water hyacinths at Lake Leonard (Davao de Oro).

Public Infrastructure Program

In 2025, APX supported the on-going construction of the Immaculate Conception of Mary Parish in Barangay Elizalde (with 3,489 church members). Moreover, APX established the acquisition of permanent relocation sites in support of 1,500 beneficiaries.

Socio-cultural and Religious

Throughout 2025, APX conducted programs in support of the various community projects of the host barangays such as Araw ng Barangay, fiesta celebrations, and other related activities.

APX provided various supplies, furniture, and appliances to the local communities (such as printers, computer units, television sets, Wi-Fi, etc.) to aid in modernizing day-to-day activities. Other activities included supporting the creative endeavors of youth groups from various barangays, by providing of art supplies. All these socio-civic activities benefitted a total of 23,188 residents across eight host barangays, and 17,418 residents across eight neighboring barangays.

There were also 11 couples aided during the Kasalan ng Parokya of ICQP Church in Barangay Elizalde. Two churches were also given financial assistance for their fiesta celebrations and were provided new furniture.

APX also supported interbarangay activities. In celebration of indigenous people (IPs), APX conducted the Mamakabogera dance contest among the host and neighboring barangays, with representatives from five different barangays. The Indigenous Peoples Day celebration in Maco was also supported.

Other socio-cultural initiatives conducted by APX include:

- Provision of assorted supplies for the 25th Infantry Battalion of the Philippine Army
- Provision of supplies for BFP, PNP, and MDRRMO in Maco and Mawab, benefitting 37 barangays

As for supporting the religious sector in 2025, APX procured a vehicle for the Immaculate Conception of Mary Parish.

Information, Education and Communication (IEC) Campaign – P17.0 M

In 2025, APX also continued to institutionalize greater public awareness in responsible mineral development and the promotion of geosciences and related technologies through information, education, and communication (IEC) campaigns.

APX established its general IEC Campaign throughout 2025 involving print broadcasts, FGDs, assemblies, advertisements, and promotions, such as promoting Apex @YOS! (Apex @ Your Service), through various radio programs, highlighting the social services provided by APX at various barangays. In 2025, Apex @ YOS! benefitted a total of 2,377 individuals in host and neighboring barangays.

APX also conducted IEC on various topics, such as but not limited to:

- Mitigating measures and disaster response and preparedness with 103 attendees
- Slope stabilization for the Barangay Masara Landslide Project with 115 attendees

- Transect walk with DOST-PHIVOLCS with 30 participants
- Two-day community landslide risk assessment with DOST PHIVOLCS dynaslope project activity with 34 participants
- Capacity of the tailings dam and its construction, in light of the construction of the recent Tagbaros Drain and Ventilation Tunnel Project in AMCI with 85 attendees.

In collaboration with the members of the Community Technical Working Group and regulatory agencies, APX also conducted regular visits, validation and monitoring. APX monitored monthly activities and assistance for the community partners through Barangay Chairmen and IP leaders to facilitate various assistance such as:

- Support and strengthening of the community facilitation skills of community relations 8 community relations (ComRel) practitioners
- The stakeholders year-end evaluation and Christmas fellowships

APX also extended sponsorships and financial support to a wide range of initiatives, including medical assistance programs, fun runs, cultural events, mining student organizations, and mining, geology, and industry conferences, such as:

- TIM Tebow Cure Davao Event
- 71st Annual National Mine Safety and Environment Conference (ANMSEC)
- GeoCon 2025
- 34th Mindanao Business Conference (MNBZCON)
- 12th Nabunturan Independent Film Exhibition (NABIFILMEX 12)
- Philippine Society of Mining Engineers (PSEM)
- Caraga Chapter, MGB XI operations center in earthquake response
- 1st Small-Scale Miner's Summit cum Job Fair, and many more.

APX also conducted consistent maintenance including provision of accessories of four vehicles used in monitoring, project visits, and stakeholder engagement, as well as in the purchase of office supplies and communication expenses for APX's various social development programs.

Development of Mining Technology and Geosciences – P11.2M

In 2025, APX supported two scholars under the Agriculture Business Executive Program of the University of Asia and the Pacific. APX also supplied labor, materials, and supervision for the manufacturing and installation of PHIVOLCS Dynaslope-Landslide Monitoring in Barangay Elizalde.

In line with inspection chart mapping, geo-tagging and baseline information gathering, APX conducted ocular inspection in the areas affected by the mining operation. Regular maintenance of inspection chart mapping and geo-tagging was also conducted.

APX also consulted with the indigenous peoples (IP) leaders of Brgy. Teresa regarding claimants in relation to Sagay-Sagay drilling activities, as well as access road inspection and geo-tagging going to the proposed drill sites via Teresa - Sagay-Sagay road. A warning system device was also installed at Brgy. Elizalde.

APX also conducted mine tours for three universities in 2025 namely Mindanao State University Iligan Institute of Technology, Caraga State University, and University of Southeastern Philippines, catering to a total of 65 students. Companies also visited for a mine tour for on-the-job training (OJT) culmination.

ENVIRONMENTAL PROTECTION AND ENHANCEMENT PROGRAM

Environmental Sustainability

As a responsible mining company, APX effectively manages and mitigates its impact on the environment. In 2025, under its Annual Environmental Protection and Enhancement Program (AEPEP), the company spent P159.06 million to carry out activities, initiatives, and programs that catered to the care and sustenance of the environment.

Land Resources

Reforestation

Mining Forest Program

In 2025, a total of 27,530 assorted seedlings were produced at the Central Nursery of APX and its two Mangrove satellites in Bongabong, Pantukan, and Bucana, Maco, Davao de Oro. There were also 122,365 assorted seedlings stocked at the mangrove and central nurseries.

APX also conducted tree planting, protection initiatives, and maintenance to enhance the disturbed areas, planting assorted shrubs and grass. Enhancement and rehabilitation in low density areas and previously disturbed areas was also conducted.

In line with APX's commitment to the National Greening Program (NGP), the company was able to establish 25.0 has of agroforest plantations with a total of 12,500 hills composed of fruit and forest trees. APX was also able to establish 15.0 has of bamboo plantations with a total of 3,060 bamboo cuttings, mostly established outside the company's tenement as its offset plantation. A total of 18.0 has were also protected and maintained. For NGP and bamboo plantations, a total of 40.0 has. and 41.0 has were likewise protected and maintained, respectively. Replanting was also conducted in an area with low surviving tree species. There were 790 assorted native tree seedlings replanted for the year.

Enrichment planting of endemic species was also conducted at previously established plantations with a total of 1,742 assorted seedlings.

APX also donated a total of 21,620 assorted seedlings to LGUs, DENR, and schools.

For forest protection, APX conducted monitoring/foot patrolling on any suspicious illegal forest activities within the company's tenement with a total area of 2,259.13 has. As of the period, no illegal forest activities were observed.

APX likewise delineated and assessed another 37.0 has. of reference ecosystem area that encompasses a total of approximately 72.96 has. to date. This initiative is in support of enhanced biodiversity conservation and protection policy in mining areas.

Underground Rehabilitation and Backfilling

Rehabilitation in the underground mine usually involves mine-out underground working, backfilling mine-out stopes with mine waste with almost 80% filled to sustain breaching from above ground. For 2025, a total of 120,591 tons were backfilled to different areas in the underground.

In line with rehabilitation, APX conducted various maintenance of infrastructure and facilities, implementing environmental protection related projects such as: (1) de-silting of creeks, ponds and earth sumps, (2) maintenance of roads and drainage canals, (3) regular cleaning and housekeeping of various facilities such as the oil and water separator (OWS), used oil storage, the material recovery facility (MRF) and the hazardous waste storage, (4) the improvement of the Masarita waste water treatment facility, and (5) slope stabilization at various areas.



Elderege L. Pabugno
Environmental Sampler

TISCH
Environmental

Solid Waste Management

APX maintained the collection and hauling of domestic waste from the mine site and four (4) host barangays to the company's Material Recovery Facility (MRF). A permanent material recovery and hazardous waste storage facility was also constructed to facilitate the segregation of solid waste. For 2025, there was a total of 171,069 kilos of residual waste. All metal scraps and metal chips generated from various operations were collected and transported to the scrap yard for proper disposal to qualified buyers and for recycling purposes. Regular collection, storage, and disposal of hazardous waste were also conducted. For the year 2025, APX was able to dispose through its DENR accredited transporter and treater the following: (1) 30 metric tons of used oil, (2) 60 metric tons of oil contaminated materials, (3) 6 metric tons of toxic containers, and (4) 0.33 metric tons of medical waste. APX also regularly monitored all oil water separators installed in the different motor-pool areas.

Water Resources

Tailings Pond Operations and Maintenance

APX conducted the following to maintain its tailings pond operations: (1) de-silting of creeks (2) regular clearing of floating debris at CWD during heavy rains, (3) maintenance of tailings pipelines through patching of leaks and replacing worn-out pipes, (4) maintenance of drainage canal and spillway along the tailings pond, and (5) detoxification at polishing pond discharged using hydrogen peroxide.

Monitoring of Ambient Water Quality and Wastewater Effluents

APX also monitored effluents from the various sampling station points to meet DENR standards. Piezometer monitoring was also continuously conducted by the Tailings Management Facility (TSF) department. All safety measures and maintenance work were undertaken to ensure smooth operations of tailings conveyance to the disposal area.

Collection, Storage and Disposal of Hazardous Wastes

APX also ensured proper disposal of chemical waste. Acid and alkali wastes were diluted with water before storage in the hazardous facility, and cupels and slags were contained in drums and brought to the designated area at the mill suitable for disposal.

Air Quality

Underground

APX conducted regular installation and maintenance of underground ventilation systems to ensure the generation of good quality air in the working areas. Use of respirators was also regularly enforced among workers in different working areas.

Mill Plant

Use of PPE such as dust masks and respirators was continuously enforced among workers in the surface area. Regular internal Source Emission Testing (SET) and maintenance of Pollution and Control Devices in every stationary source within the mill operation were also regularly implemented.

Surface

Ambient air quality monitoring at the surface operations was periodically conducted by the company at eight (8) air sampling locations within the minesite. Results showed that the ambient air quality monitoring for particulate matter (PM 10) is within the permissible limit.

Source Emission Testing

Through a third-party environmental service provider, APX was able to conduct Source Emission Testing (SET) of its air pollution and stationary sources.

Ambient Noise

APX conducted sound-level monitoring. The use of PPE such as earmuffs and earplugs was continuously enforced among workers assigned in areas with high level noise. APX established noise monitoring locations approximately 500 meters from the point source at various neighboring barangays to evaluate the impact of noise generated from mining activities to the surrounding area. Results showed that the detected noise source that exceeded every 15 minutes time interval was brought about by motorbikes' open pipe mufflers and the service vehicles passing along the Barangay access road and the Mine access road.



MALASAKIT BEYOND BORDERS

In the aftermath of the March 2025 Myanmar earthquake, the Emergency Response Team of Apex Mining, under the auspices of the Department of Environment and Natural Resources, joined the Philippine Inter-Agency Humanitarian Contingent (PIAHC) that deployed to Myanmar to help in the search, relief, and retrieval operation.



The Office of Civil Defense awarded the Apex Mining Emergency Response Team, along with personnel from the EDC, with the "BaKas Parangal ng Kadakilaan," a recognition intended to honor those who uphold their responsibility to help others during times of calamity.

Bryant Sabado
underground miner
BBSB - DLA



ITOGON-SUYOC RESOURCES, INC.

Itogon-Suyoc Resources, Inc. is a fully-owned subsidiary of Apex Mining. It manages the Sangilo Mine and oversees the Suyoc Gold Mine Project.

SANGILO MINE

Mining Operations

Total mine production for 2025 reached 167,042 tonnes at an average grade of 3.38 gpt, reflecting a slight reduction compared to the 2024 output of 169,776 tonnes at 3.76 gpt. With operating days down by one percent total tonnage mined showed a corresponding two percent variance year-over-year, resulting in a daily mining rate of 468 tpd.

In terms of underground development, 2025 recorded 2,162 meters off-vein and 775 meters on-vein, along with the rehabilitation of 169 meters of existing drives. By comparison, 2024 achieved 2,621 meters off-vein, 345 meters on-vein, and 256 meters of rehabilitation work.

Big Brother-Small Brother Program

The Big Brother–Small Brother (BBSB) program has grown significantly since its launch in 2021, when it began with a single partner association. In 2025, the program had expanded to include three associations:

- Balingway-Sangilo Small Scale Miners Association (BSSSMA) based in Barangay Poblacion, Itogon, Benguet, with six leaders.
- Demang Livelihood Association (DLA) --- composed of small-scale miners from Sitio Dalicno, Barangay Ampucao, Itogon, Benguet, with ten leaders.
- Simpa-Tipong Small Scale Miners Association (SITISSMA) --- composed of small-scale miners from Sitio Simpa and Tipong, Barangay Ampucao, Itogon, Benguet, with an initial leadership of three members in the program.
- The BBSB groups specialize in extracting narrow veins with a cut-off grade of 3.50 gpt. In 2025, the participating associations collectively contributed 12% of total mine production, equivalent to 19,677 tonnes of ore at an average grade of 6.51 gpt.

For the year, ISRI disbursed a total of P32.54 million to the associations and remitted P651,000 to the national government as expanded withholding tax on BBSB payments.

Milling Operations

In 2025, the mill processed a total of 143,606 dry metric tonnes of ore at an average mill head grade of 3.21 g/t Au. While throughput was 3% below the projected tonnage, the head grade exceeded projections by 6%. The operation achieved an average tail grade of 0.45 g/t Au, resulting in an overall gold recovery of 85.96% and a total gold production of 12,458.18 ounces of gold, attaining 96% of the projection.

The higher-than-projected mill head grade was attributed to several operational initiatives such as more efficient manual sorting and the charging of fine solids in the catch-up stump.

The mill undertook significant equipment upgrades in 2025 to strengthen operational efficiency, reliability, and regulatory compliance. The commissioning of a lime mixing tank enhanced reagent control, while the installation of air spargers across multiple CIL tanks improved dissolved oxygen levels, thereby increasing gold leaching efficiency. Key infrastructure improvements—including a new primary jaw crusher, a 10-ton overhead crane, a drum scrubber, and a crushing plant conveyor upgrade—resulted in reduced downtime and a higher crushing rate.

Metallurgical control and sampling accuracy were also improved through the installation of new cylindrical interstage screens at the CIL tanks and the adoption of a 2-in-1 sample cutter. These upgrades contributed to better carbon retention and more reliable mill head grade determination. Additionally, a state-of-the-art trash screen was commissioned to replace the old unit, further enhancing operational reliability and efficiency.

Exploration and Geology

Ore Processing

In 2025, a total of 148,180 wet metric tonnes (WMT) of ore were fed to the crusher at an average grade of 3.60 grams per tonne (gpt) Au. The majority of the feed (77%) was sourced from the Taka Bar Vein (TBV), Taka Footwall Split (TFWS), and Taka Hanging Wall Split (THWS). Narrow veins contributed 12% of the total tonnage and yielded a significantly higher average grade of 6.49 gpt Au, underscoring their importance as high-grade sources despite lower tonnage.

Underground Drilling Program (PC-ISRI-004)

Drilling activities under PC-ISRI-004, covering the Taka, Tabaan, King Fr., and Sesame claims, focused on validating the continuity of key structures, including Gemco E-2, 16 Vein, Santoy Vein, and 14 Vein–23 HWS. The program successfully completed 1,234.30 meters of drilling, targeting lateral and downdip extensions from L-400 to L-875 within the Tabaan claim.

Compliances and Permitting

The 2nd NQA Surveillance Audit, conducted on May 29–30, 2025, resulted in a positive overall rating of “passed.” The audit highlighted a total of 44 strengths, broken down into six under the Quality Management System (QMS), 11 under the Environmental Management System (EMS), 12 under Safety, and 15 under Health. In addition, the audit identified 18 Opportunities for Improvement (OFIs) and four minor nonconformities, which provide areas for further enhancement of company practices. Following this, the company introduced the Site Assessment for Good Attitude and Discipline (SAGAD), a program designed to reinforce visible leadership and management presence. This initiative involves monthly walk-through inspections across all working areas, with the aim of promoting discipline, accountability, and proactive engagement in safety and operational standards.

SOCIAL DEVELOPMENT AND MANAGEMENT PROGRAMS

Host barangays: Ampucao & Poblacion

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

In 2025, the company allocated a total budget of Php 16,585,708.98 under the Annual Social Development and Management Program (ASDMP) for the development of host and neighboring communities. This amount was equally distributed between Barangays Ampucao and Poblacion in the Municipality of Itogon, with each receiving Php 8,292,854.49, in line with identified community needs and sustainability priorities. Notable initiatives included the improvement of the waterworks system at the Maopa Water Source, with Php 700,000.00 earmarked for the construction of an additional water tank to benefit residents of Sitio Dalicno, Ampucao. In Barangay Poblacion, a three-day Youth Development Session was conducted at Alejo M. Pacalso National High School Annex, supported by the PNP-PRO-COR and funded under the ASDMP’s Information, Education, and Communication (IEC) program.

The company also sponsored PhilHealth enrollment for around 40 indigent residents of Barangay Poblacion, ensuring improved access to healthcare services for them and their families. Further, in partnership with the Philippine Mental Health Association (PMHA), assessments were provided for learners with disabilities at the Itogon Central School. To support livelihood development, the Dalicno Livelihood

and Skills Development Association (DaLSDA) was organized by parents of Dalicno Elementary School students, who underwent sewing training through TESDA. Additional sewing machines were provided under the ASDMP to strengthen the association's capacity.

For Barangays Tinongdan and Dalupirip, the company implemented its yearly assistance program amounting to Php 750,000 per barangay, anchored in the TSF Memorandum of Agreement with Barangay Poblacion. In addition to this, ISRI extended its corporate social responsibility initiatives to other barangays by accommodating their requests during calamities and in support of activities held for Indigenous Peoples (IP) Month celebrations.

Scholarship and Educational Assistance Programs

As part of the ISRI's commitment during the Free, Prior, and Informed Consent (FPIC) Process for APSA 103, a scholarship program was launched in 2025 with an initial batch of 12 students from the three identified tribes within the Ancestral Domain of Itogon—Ibaloi, Kalanguya, and Kankana-ey. In recognition of a long-time partner clan, one scholar was likewise supported from this group, reflecting the ISRI's dedication to inclusivity and cultural partnership.

In addition, through the SDMP and in coordination with the Barangay Council and community representatives, 20 indigent students (10 senior high school and 10 college students) in Barangay Poblacion were identified for educational assistance.

Environmental Protection and Enhancement Program

ISRI continues to uphold its commitment to responsible mining practices through the sustained implementation of its Environmental Protection and Enhancement Program (EPEP).

ISRI has maintained approximately 35 hectares of forested areas within its patented claims as part of its ongoing reforestation initiatives, which are reinforced by protective measures to ensure sustainability. To mitigate the risks of bush and forest fires, the company has implemented a comprehensive prevention strategy that includes the maintenance of firebreaks, regular aerial monitoring, and the deployment of fire spotters.

Effluent quality remained within regulatory standards through regular monitoring, ensuring compliance with the Philippine Clean Water Act of 2004 and its Implementing Rules and Regulations (IRR). Annual ambient air and emissions testing, conducted by third-party service providers accredited by the Department of Environment and Natural Resources (DENR), confirmed that all sources complied with the Philippine Clean Air Act of 1999 and its IRR.

ISRI also sustained its Memorandum of Agreement with the Environmental Management Bureau by adopting the portion of the Ambalanga River adjacent to its operations, conducting annual clean-up drives and greening activities.

A total of 73.507 metric tonnes of residual waste was properly managed through a third-party materials recovery and processing company, in accordance with the Ecological Solid Waste Management Act of 2000 and its IRR. In addition, 80.99 metric tonnes of hazardous waste were transported, treated, and disposed of through DENR-accredited facilities, in compliance with the Philippine Toxic Substances and Hazardous and Nuclear Waste Control Act of 1990 and its IRR.

In 2025, ISRI spent P40,065,438.63 for the implementation of its EPEP.

SUYOC GOLD PROJECT

Permitting

MPSA-152-2000-CAR (or the Suyoc Gold Project) is extended until September 2026 (it expired on 31 March 2025). All requirements for the Declaration of Mine Project Feasibility (DMPF) have been endorsed and forwarded to the Central Office of the Mines and Geoscience Bureau for final evaluation and approval.

Geology, Mine Engineering, and Metallurgy

The Geology Team commissioned and completed a topographic survey at a 1.0-meter interval of the whole MPSA-152-2000-CAR area for Mine planning purposes. Geology also completed sampling and mapping of existing small-scale mine tunnels and CN plant's locations inside MPSA-152-2000-CAR. Geology sampling activities collected more than 70 samples sent to Sangilo for assay. The team also completed an ore resource validation program by underground tunneling and drilling to convert inferred to indicated resource. Geology has established a database of this information as a guide for Mining and Metallurgy. The feasibility study of the pilot plant has been completed with Metallurgy completing additional metallurgical testing in coordination with MGB CO's metallurgical Laboratory to test the tailings and fresh ore acquired from the small-scale mining operations in the mining tenement.

Safety and Health

A total of 66,158 total man-hours were completed in 2025, with zero incidents. The on-site clinic opened on 30 July 2025 equipped with a treatment and observation room, as well as a medical stockroom. The clinic's services are also extended to the local community as part of the company's social responsibility initiative. A Memorandum of Agreement (MOA) was established with Lutheran Hospital in Abatan, Buguias, on 12 March 2025.

Environmental Work Program

The Environmental Work Program (EWP) with budget of Php 526,762.16 in 2025, supported key program components, including the Solid Waste Management Program, National Greening Program (NGP)/reforestation activities, and Water Quality Monitoring, ensuring the continuous implementation of environmental protection, rehabilitation, and compliance initiatives.

ISRI continued reforestation, maintenance, and monitoring activities within its adopted site in Sitio Basig, covering a total area of 2.17 hectares.

In 2025, 710 Benguet pine seedlings were newly established within the reforestation area. The plantation achieved a 98% survival rate, indicating effective site preparation, planting techniques, and maintenance interventions. Reforestation efforts were also supported by ongoing maintenance activities, including ring weeding, replanting of mortalities, and protection measures to ensure healthy growth and site stability, implemented in coordination with partner community organizations. To sustain planting requirements and long-term program success, ISRI maintained active nursery operations, propagating approximately 7,000 seedlings of forest and agroforestry species such as Benguet pine, dwarf coffee, mulberry, avocado, loquat, and soursop, and further promoted ecological restoration and community participation through the donation of seedlings within the municipality.

Community Relations

Activities undertaken in 2025 for community development initiatives totaled PhP 624,100.00. This amount covered the provision of a gong for the cultural activities of Barangay Balili in Manakayan, the fencing of the Pacda Day Care Center, the concreting of the school grounds of the Pongo Day Care Center, a tree planting activity during the Arbor Day Celebration and the participation of the ISRI-Suyoc team in the founding Anniversary celebration of Mankayan.



Ervin Carantes
underground miner
BBSB - BSSMA



MONTE ORO RESOURCES & ENERGY, INC.

Monte Oro Resources & Energy, Inc. (MOREI), a wholly-owned subsidiary of APX, has projects in oil and gas, mining, and solid waste management, both locally and abroad. MOREI wholly owns Paracale Gold Limited (PGL) — an Isles of Man company. PGL, in turn, wholly owns Coral Resources Philippines, Inc. (CRPI).

Mining

Paracale Gold Limited (PGL), through its subsidiary, Bulawan Mineral Resources Corporation (BMRC), oversees eight mining tenements — both directly and through a Royalty Agreement with Option to Purchase (RAWOP) arrangements. These tenements are located across different areas of Jose Panganiban, Paracale, and Labo in Camarines Norte. BMRC's main tenements, EP-006-2008-V and EP-007-2008-V, remain fully operational under its second permit renewal in 2025.

Notably, EP-006-2008-V, focused on completing its 12-drill hole program. Initial drilling results confirm multiple splays of targeted main vein system including the previously identified Rico Vein System in the southeastern block and the recently mapped Amy-Thessa-Yolly Vein system on the northwestern block. EP-007-2008-V on one hand is gearing up for the conduct of drilling works following the completion of its geochemical and geophysical studies. As for BMRC's other tenements, EXPA-000237-V was successfully converted into an Exploration Permit (EP-030-2025-V) in 2025, while EXPA-000236-V (formerly APSA-020-V) is expected to be converted into an Exploration Permit within 2026.

Meanwhile, EXPA-000253-V-A, EXPA-000102-V-A, and EXPA-000251-V remain under evaluation at the Mines and Geosciences Bureau (MGB) Central Office for their pending conversion into Exploration Permits.



*EXPA-000237-V was successfully converted into an Exploration Permit (EP-030-2025-V) in 2025
In photo: Apex Mining President Luis R. Sarmiento (third from left) and DENR-MGB ASec. Michael Cabalda (third from right)*

For tenement EXPA-000254-V, BMRC has already secured its area clearance from the Department of Tourism (DOT), and has also started conversion into an EP.

Throughout 2025, these tenements have undergone the necessary improvements and revisions to their programs covering exploration work, environmental initiatives, and social development for their host communities.

Coral Resources Philippines, Inc. (CRPI) which owns and operates a Mineral Processing Plant (MPP-007-2025-V) was issued the Mineral Processing Permit (MPP) by the MGB Regional Office V in 2025. With the MPP, CRPI is now ready to process incidental ore materials from exploration as well as tails from Small Scale Miners (SSM) and Medium Scale Processing Plants that are deemed profitable given the favorable gold prices.

Service Contract 72

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

The Service Contract remained under Moratorium in 2025. In April 2022, the exploration activities were stopped upon orders of the Philippine government, due to geopolitical issues involving the area. While the consortium has expressed its readiness to drill the commitment wells, government approval of the same has yet to be secured.

ASIA-ALLIANCE MINING RESOURCES, CORP.

In 2025, Asia-Alliance completed its resource validation activities particularly on the remaining NDMC reserves in Amacan and Hijo. These validation activities were conducted on the strength of an Authority to Verify Minerals (ATVM) issued in January 2024 (which was valid until April 2025).

Asia-Alliance also focused on securing the necessary approvals from relevant regulatory bodies, completing the required community assemblies for project introduction across all 24 barangays covered by AFTA-000014-XI (is the tenement of Asia-Alliance). These activities form part of the Free, Prior and Informed Consent (FPIC) process and represent a critical milestone in strengthening stakeholder relationships and advancing the project's social acceptability.

Asia-Alliance also implemented a Community Development Program (CDP) at the two host barangays, namely: New Leyte in the Municipality of Maco and Golden Valley in the Municipality of Mabini, all in Davao de Oro.

The total amount of CDP implemented in 2025 is P12,682,509.16 with Development of Host and Neighboring Communities (DHNC) Projects at P4,783,463.30 while Information, Education, & Communication (IEC) programs/activities stood at P7,950,049.35. The projects included the following: medical mission activities; Brigada Eskwela; support to local festivities and the Indigenous People (IP) Day; rice assistance; participation in the Nutrition Month Celebration; a first aid training for the students of New Leyte National High School, in collaboration with the Red Cross (Nabunturan Chapter). Asia-Alliance also implemented road rehabilitation and widening of select roads in Brgys. New Leyte and Maragusan and the rehabilitation of the Maraut Footbrige in Brgy. Golden Valley.

In parallel, the baseline studies required for the Environmental Impact Assessment (EIA) were finalized. These baseline studies support Asia-Alliance's application for an Environmental Compliance Certificate (ECC).

APX took over Asia-Alliance Mining Resources Corp. in February 2023. This acquisition provided APX access to Asia-Alliance's tenement covering more than 19,000 hectares.

Joel Catigan
Corehouse Aide

Edgar Edgem Espinosa
Mapper





Rennes Lyn Diaz
Exploration Geologist

Ma. Geanli Quijada
Exploration Geologist

Elaine Joyce Lopez
Exploration Geologist

2025 FINANCIAL STATEMENTS

Apex Mining Co., Inc. and Subsidiaries

Consolidated Financial Statements
December 31, 2025 and 2024
and Years Ended December 31, 2025,
2024 and 2023

and

Independent Auditor's Report



A member firm of Ernst & Young Global Limited



APEX MINING CO., INC.

Masara, Maco, Davao de Oro



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS


The management of Apex Mining Co., Inc. and its Subsidiaries is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 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
Chairman of the Board


LUIS R. SARMIENTO
President & Chief Executive
Officer


BILLY G. TORRES
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

Doc No. 185
Page No. 38
Book No. 18
Series of 2026



FERDINAND D. AYAHAO
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. VBI-DEF03234, until 04/14/28
Roll No. 46377; IBP LRN 02459; OR 535886; 06/21/2001
Unit 5, West Tower PSE, Exchange Road
Pasig City, NCR, 1605 Philippines

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

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders
Apex Mining Co., Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Apex Mining Co., Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), 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 consolidated 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.

Key Audit Matters

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



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

Recoverability of Deferred Exploration Costs

As at December 31, 2025, the carrying value of the Group's deferred exploration costs amounted to ₱7.69 billion, net of allowance for impairment losses of ₱0.62 billion. The deferred exploration costs pertain to the expenditures incurred by the Group for its various projects. Under PFRS 6, *Exploration for and Evaluation of Mineral Resources*, these deferred exploration costs shall be assessed for impairment when facts and circumstances suggest that the carrying amounts exceed the recoverable amounts. The ability of the Group to recover its deferred exploration costs would depend on the commercial viability of the exploration projects. We considered this as a key audit matter because of the materiality of the amounts involved, and the significant judgment required in assessing whether there is any indication of impairment.

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

Audit Response

We obtained management's assessment on whether there is any indication that deferred exploration costs may be impaired. We inspected the summary of the status of each exploration project as at December 31, 2025, as certified by the Group's geology division manager, the type of expenses incurred, and assessed whether ongoing exploration activities exist to support the continued capitalization of these assets under the Group's accounting policies. We inspected contracts and agreements, inquired with management whether further evaluation is required in advance of a development decision and that such exploration is continuing, made reference with existing drilling results and inspected the approved budget for continuing the exploration and development costs. We inspected the licenses/permits of each exploration project to determine that the period for which the Group has the right in the specific area has not expired, will not expire in the near future, and will be renewed (or have been applied for renewal) accordingly. We also inquired about the existing concession areas that are expected to be abandoned or any exploration activities that are planned to be discontinued in those areas.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditor's report.

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



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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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



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

SYCIP GORRES VELAYO & CO.

Jose Pepito E. Zabat

Jose Pepito E. Zabat III

Partner

CPA Certificate No. 85501

Tax Identification No. 102-100-830

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

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

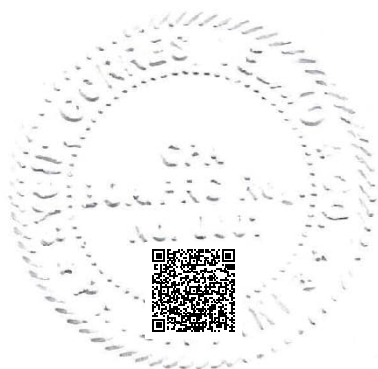
SEC Firm Accreditation No. 0001-SEC (Group A)

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. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱3,332,630,624	₱3,201,158,327
Trade and other receivables (Note 5)	2,561,200,665	1,294,510,081
Inventories (Note 6)	1,289,132,342	1,552,478,881
Advances to related parties (Note 15)	69,563,414	2,304,109
Other current assets (Note 7)	1,520,957,478	1,085,344,672
Total Current Assets	8,773,484,523	7,135,796,070
Noncurrent Assets		
Property, plant and equipment (Note 10)	19,430,569,521	15,119,602,080
Deferred exploration costs (Note 11)	7,692,376,294	6,677,730,421
Financial assets measured at fair value through other comprehensive income (FVOCI) (Note 9)	6,500,000	7,000,000
Intangible assets (Note 12)	20,837,629	9,629,201
Deferred income tax asset - net (Note 27)	-	51,875,834
Other noncurrent assets (Note 13)	2,899,795,318	3,090,028,864
Total Noncurrent Assets	30,050,078,762	24,955,866,400
TOTAL ASSETS	₱38,823,563,285	₱32,091,662,470
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Note 14)	₱2,226,137,271	₱2,031,855,670
Loans payable - net of noncurrent portion (Note 18)	2,846,171,688	2,618,354,384
Advances from related parties (Note 15)	-	374,858,016
Financial liability - current (Note 1)	996,134,176	925,572,825
Income tax payable	477,420,166	422,528,686
Total Current Liabilities	6,545,863,301	6,373,169,581
Noncurrent Liabilities		
Loans payable - net of current portion (Note 18)	3,655,032,960	4,610,970,065
Financial liability - net of current portion (Note 1)	1,162,140,082	2,172,478,970
Provision for retirement benefits (Note 16)	546,077,284	435,187,194
Provision for mine rehabilitation and decommissioning (Note 17)	21,537,096	20,830,866
Deferred income tax liabilities - net (Note 27)	362,373,454	-
Total Noncurrent Liabilities	5,747,160,876	7,239,467,095
Total Liabilities	12,293,024,177	13,612,636,676
Equity Attributable to Equity Holders of the Parent Company		
Issued capital stock (Note 19)	6,227,887,491	6,227,887,491
Additional paid-in capital (APIC) (Note 19)	634,224	634,224
Treasury shares (Note 19)	(2,081,746,680)	(2,081,746,680)
Revaluation surplus on property, plant and equipment (Note 10)	1,381,655,439	166,099,883
Remeasurement loss on financial asset at FVOCI (Note 9)	(341,342,240)	(340,842,240)
Remeasurement gain on retirement plan (Note 16)	1,859,622	29,040,911
Currency translation adjustment on foreign subsidiaries	(13,696,063)	(1,125,434)
Retained earnings (Note 19)	21,363,394,963	14,486,728,092
	26,538,646,756	18,486,676,247
Non-controlling Interests (Note 19)	(8,107,648)	(7,650,453)
Total Equity	26,530,539,108	18,479,025,794
TOTAL LIABILITIES AND EQUITY	₱38,823,563,285	₱32,091,662,470

See accompanying Notes to Consolidated Financial Statements.



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

	Years Ended December 31		
	2025	2024	2023
REVENUES			
Gold	₱20,432,456,939	₱14,566,454,830	₱11,621,108,228
Silver	905,097,761	575,747,049	453,986,367
	21,337,554,700	15,142,201,879	12,075,094,595
COST OF PRODUCTION (Note 21)	(9,483,307,036)	(7,599,661,042)	(6,348,914,480)
EXCISE TAXES	(817,343,762)	(602,807,446)	(478,617,442)
FINANCE COSTS (Note 26)	(610,083,545)	(594,812,655)	(559,265,484)
GENERAL AND ADMINISTRATIVE EXPENSES (Note 22)	(378,019,214)	(471,339,322)	(253,808,256)
OTHER CHARGES - net (Note 23)	(602,337,554)	(432,329,837)	(351,457,769)
INCOME BEFORE INCOME TAX	9,446,463,589	5,441,251,577	4,083,031,164
BENEFIT FROM (PROVISION FOR) INCOME TAX (Note 27)			
Current	(1,768,761,713)	(1,182,258,329)	(766,341,085)
Deferred	(13,660,002)	65,665,279	56,044,407
	(1,782,421,715)	(1,116,593,050)	(710,296,678)
NET INCOME	₱7,664,041,874	₱4,324,658,527	₱3,372,734,486
Net income (loss) attributable to:			
Equity holders of the Parent Company	₱7,664,499,069	₱4,325,133,410	₱3,408,994,699
Non-controlling interests	(457,195)	(474,883)	(36,260,213)
	₱7,664,041,874	₱4,324,658,527	₱3,372,734,486
BASIC/DILUTED EARNINGS PER SHARE (Note 20)	₱1.35	₱0.76	₱0.60

See accompanying Notes to Consolidated Financial Statements.



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

	Years Ended December 31		
	2025	2024	2023
NET INCOME	₱7,664,041,874	₱4,324,658,527	₱3,372,734,486
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX			
<i>Item that will be reclassified to profit or loss in subsequent periods</i>			
Exchange differences on translation of foreign subsidiaries	(12,570,629)	(1,395,549)	10,711,436
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>			
Revaluation surplus on property, plant and equipment, net of tax (Note 10)	1,260,761,621	–	–
Remeasurement gain (loss) on retirement plan, net of tax (Note 16)	(27,181,289)	11,544,525	(39,616,899)
Remeasurement gain (loss) on financial asset at FVOCI (Note 9)	(500,000)	–	1,000,000
	1,220,509,703	10,148,976	(27,905,463)
TOTAL COMPREHENSIVE INCOME	₱8,884,551,577	₱4,334,807,503	₱3,344,829,023
Total comprehensive income (loss) attributable to:			
Equity holders of the Parent Company	₱8,885,008,772	₱4,335,282,386	₱3,381,089,236
Non-controlling interests	(457,195)	(474,883)	(36,260,213)
	₱8,884,551,577	₱4,334,807,503	₱3,344,829,023

See accompanying Notes to Consolidated Financial Statements.



APEX MINING CO., INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024, AND 2023

Attributable to Equity Holders of the Parent Company

	Capital stock (Note 19)	Additional paid-in capital (Note 19)	Treasury shares (Note 19)	Revaluation surplus (Note 10)	Remeasurement loss on financial asset at FVOCI (Note 9)	Remeasurement gain (loss) on retirement plan (Note 16)	Currency translation adjustment on foreign subsidiaries	Retained earnings (Note 19)	Subtotal	Non-controlling interests (Note 19)	Total
Balances at January 1, 2023	₱6,227,887,491	₱634,224	(₱2,081,746,680)	₱226,025,835	(₱341,842,240)	₱57,113,285	(₱10,441,321)	₱7,464,658,813	₱11,542,289,407	₱29,084,643	₱11,571,374,050
Net income	-	-	-	-	-	-	-	3,408,994,699	3,408,994,699	(36,260,213)	3,372,734,486
Other comprehensive income (loss)	-	-	-	-	1,000,000	(39,616,899)	10,711,436	-	(27,905,463)	-	(27,905,463)
Total comprehensive income	-	-	-	-	1,000,000	(39,616,899)	10,711,436	3,408,994,699	3,381,089,236	(36,260,213)	3,344,829,023
Dividends (Note 19)	-	-	-	-	-	-	-	(310,035,402)	(310,035,402)	-	(310,035,402)
Transfer of portion of revaluation surplus realized through depreciation, depletion and disposal, net of tax (Note 10)	-	-	-	(35,347,094)	-	-	-	35,347,094	-	-	-
Balances at December 31, 2023	₱6,227,887,491	₱634,224	(₱2,081,746,680)	₱190,678,741	(₱340,842,240)	₱17,496,386	₱270,115	₱10,598,965,204	₱14,613,343,241	(₱7,175,570)	₱14,606,167,671

Attributable to Equity Holders of the Parent Company

	Capital stock (Note 19)	Additional paid-in capital (Note 19)	Treasury shares (Note 19)	Revaluation surplus (Note 10)	Remeasurement gain (loss) on financial assets at FVOCI (Note 9)	Remeasurement gain (loss) on retirement plan (Note 16)	Currency translation adjustment on foreign subsidiaries	Retained earnings (Note 19)	Subtotal	Non-controlling interests (Note 19)	Total
Balances at December 31, 2023	₱6,227,887,491	₱634,224	(₱2,081,746,680)	₱190,678,741	(₱340,842,240)	₱17,496,386	₱270,115	₱10,598,965,204	₱14,613,343,241	(₱7,175,570)	₱14,606,167,671
Net income	-	-	-	-	-	-	-	4,325,133,410	4,325,133,410	(474,883)	4,324,658,527
Other comprehensive income (loss)	-	-	-	-	-	11,544,525	(1,395,549)	-	10,148,976	-	10,148,976
Total comprehensive income	-	-	-	-	-	11,544,525	(1,395,549)	4,325,133,410	4,335,282,386	(474,883)	4,334,807,503
Dividends (Note 19)	-	-	-	-	-	-	-	(461,949,380)	(461,949,380)	-	(461,949,380)
Transfer of portion of revaluation surplus realized through depreciation, depletion and disposal, net of tax (Note 10)	-	-	-	(24,578,858)	-	-	-	24,578,858	-	-	-
Balances at December 31, 2024	₱6,227,887,491	₱634,224	(₱2,081,746,680)	₱166,099,883	(₱340,842,240)	₱29,040,911	(₱1,125,434)	₱14,486,728,092	₱18,486,676,247	(₱7,650,453)	₱18,479,025,794



Attributable to Equity Holders of the Parent Company

	Capital stock (Note 19)	Additional paid-in capital (Note 19)	Treasury shares (Note 19)	Revaluation surplus (Note 10)	Remeasurement gain (loss) on financial assets at FVOCI (Note 9)	Remeasurement gain (loss) on retirement plan (Note 16)	Currency translation adjustment on foreign subsidiaries	Retained earnings (Note 19)	Non-controlling interests (Note 19)	Total
Balances at December 31, 2024	₱6,227,887,491	₱634,224	(₱2,081,746,680)	₱166,099,883	(₱340,842,240)	₱29,040,911	(₱1,125,434)	₱14,486,728,092	(₱7,650,453)	₱18,479,025,794
Net income	-	-	-	-	-	-	-	7,664,499,069	(457,195)	7,664,041,874
Other comprehensive income (loss)	-	-	-	1,260,761,621	(500,000)	(27,181,289)	(12,570,629)	-	-	1,220,509,703
Total comprehensive income	-	-	-	1,260,761,621	(500,000)	(27,181,289)	(12,570,629)	7,664,499,069	(457,195)	8,884,551,577
Dividends (Note 19)	-	-	-	-	-	-	-	(833,038,263)	-	(833,038,263)
Transfer of portion of revaluation surplus realized through depreciation, depletion and disposal, net of tax (Note 10)	-	-	-	(45,206,065)	-	-	-	45,206,065	-	-
Balances at December 31, 2025	₱6,227,887,491	₱634,224	(₱2,081,746,680)	₱1,381,655,439	(₱341,342,240)	₱1,859,622	(₱13,696,063)	₱21,363,394,963	(₱8,107,648)	₱26,530,539,108

See accompanying Notes to Consolidated Financial Statements.



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

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱9,446,463,589	₱5,441,251,577	₱4,083,031,164
Adjustments for:			
Depreciation, depletion and amortization (Note 24)	1,705,960,888	1,437,206,722	1,305,423,422
Finance costs (Note 26)	610,083,545	594,812,655	559,265,484
Provisions for impairment losses on:			
Input VAT (Notes 13 and 23)	284,943,640	112,131,442	153,188,407
Deferred exploration costs (Notes 11 and 23)	10,484,118	2,891,262	30,307,458
Advances to GMU (Notes 13 and 23)	–	112,124,250	–
Nontrade receivables (Notes 13 and 23)	–	–	75,517,940
Unrealized foreign exchange (gain) loss - net	94,746,439	(154,724,410)	22,279,743
Movement in provision for retirement benefits (Note 16)	47,481,135	23,754,449	27,077,194
Interest income (Note 23)	(1,948,828)	(11,333,687)	(14,612,809)
Revaluation loss on property, plant and equipment (Notes 10 and 23)	422,999	–	–
Loss (gain) on change in estimate on provision for mine rehabilitation and decommissioning (Notes 17 and 23)	(280,421)	912,476	–
Gain on sale of property, plant and equipment	(17,500)	–	–
Gain on sale of mining rights (Notes 23)	–	–	(120,084,817)
Operating income before working capital changes	12,198,339,604	7,559,026,736	6,121,393,186
Decrease (increase) in:			
Trade and other receivables	(1,266,690,584)	(384,444,420)	94,107,950
Inventories	263,346,539	(259,781,026)	312,153,725
Other current assets	(435,612,806)	(155,012,655)	(434,581,338)
Increase in trade and other payables	186,885,592	254,845,688	325,971,616
Net cash generated from operations	10,946,268,345	7,014,634,323	6,419,045,139
Interest paid	(514,171,795)	(471,253,715)	(490,717,449)
Income taxes paid	(1,700,210,231)	(1,030,859,812)	(725,607,626)
Interest received	1,948,828	11,333,687	14,612,809
Net cash flows from operating activities	8,733,835,147	5,523,854,483	5,217,332,873
CASH FLOWS USED IN INVESTING ACTIVITIES			
Additions to:			
Property, plant and equipment (Note 10)	(4,336,109,224)	(3,377,817,896)	(2,976,317,654)
Deferred exploration costs (Note 1 and 11)	(1,025,129,991)	(355,236,101)	(394,641,159)
Intangible assets (Note 12)	(13,952,497)	(11,018,473)	(3,884,664)
Proceeds from:			
Proceeds from disposal of property, plant and equipment	56,263	–	–
Sale of mining rights (Note 23)	–	–	120,084,817
Sale of long lead items (LLI) (Note 8)	–	–	48,506,850
Increase in other noncurrent assets	(94,710,094)	(157,624,703)	(498,825,601)
Increase in advances to related parties	(67,259,305)	–	–
Net cash flows used in investing activities	(5,537,104,848)	(3,901,697,173)	(3,705,077,411)
CASH FLOWS FROM FINANCING ACTIVITIES			
Availment of loans (Note 18)	2,335,066,862	5,858,343,000	–
Payments of:			
Loans (Note 18)	(3,114,115,992)	(3,779,905,573)	(962,157,621)
Financial liability (Note 1)	(1,103,805,000)	(1,064,095,000)	–
Dividends (Note 19)	(816,506,263)	(453,140,197)	(264,986,303)
Advances from related parties	(374,858,016)	(541,153,984)	–
Net cash flows provided (used in) financing activities	(3,074,218,409)	20,048,246	(1,227,143,924)
NET INCREASE IN CASH AND CASH EQUIVALENTS	122,511,890	1,642,205,556	285,111,538
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	8,960,407	216,893,639	53,203,872
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,201,158,327	1,342,059,132	1,003,743,722
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱3,332,630,624	₱3,201,158,327	₱1,342,059,132

See accompanying Notes to Consolidated Financial Statements.



APEX MINING CO., INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Corporate Information

Apex Mining Co., Inc. (the “Parent Company”) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 26, 1970, primarily to carry on the business of mining, milling, concentrating, converting, smelting, treating, preparing for market, manufacturing, buying, selling, exchanging and otherwise producing and dealing in gold, silver, copper, lead, zinc, brass, iron, steel, and all kinds of ores, metals and minerals. The Parent Company’s shares are listed in the Philippine Stock Exchange (PSE) carrying the trading symbol “APX”. The Parent Company has three (3) wholly-owned subsidiaries, Itogon-Suyoc Resources, Inc. (ISRI), Monte Oro Resources & Energy, Inc. (MORE) and Asia Alliance Mining Resources Corporation (AAMRC). As at December 31, 2025 and 2024, the Parent Company has 2,747 and 2,744 stockholders, respectively.

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

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.

Acquisition of AAMRC

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

Furthermore, under the SPA, the Parent Company shall advance to AAMRC total commitment fees of 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 shareholder were transferred to the Parent Company from the Sellers. The Parent Company took control of AAMRC on the said date.

The transaction was accounted for as an asset acquisition. The fair value of the consideration as at February 10, 2023, acquisition date, amounted to US\$81.50 million or ₱3.89 billion. The amounts recognized as at February 10, 2023 for each major class of AAMRC's identifiable assets and liabilities are as follows:

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

*Eliminated at consolidated financial statements.

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

On February 29, 2024, the Parent Company made additional advance payment to AAMRC for royalty amounting to 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 (see Note 13).

On January 8, 2025 and December 18, 2025, the Parent Company made additional advance payment for royalty to PMDC amounting to ₱55.90 million and ₱58.79 million, 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 PhP	In US\$	In PhP
Current	US\$16,943,939	₱996,134,176	US\$16,000,913	₱925,572,825
Noncurrent	19,767,649	1,162,140,082	37,556,902	2,172,478,970
	US\$36,711,588	₱2,158,274,258	US\$53,557,815	₱3,098,051,795

The Parent Company's payment of financial liability in 2025 and 2024 amounted to ₱1.10 billion.

In 2025 and 2024, accretion expense recognized related to the financial liability amounted to ₱126.40 million and ₱178.97 million, respectively (see Note 26).



Status of Operations

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

a. Mining

Maco Mines

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

ISO Certification

The Maco mine has three (3) certifications:

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

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

Itogon and Suyoc Mines

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

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

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

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

Paracale Gold Project

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



On February 14, 2025, two of these tenements—EP-006-2008-V and EP-007-2008-V—were granted the second renewal. Additionally, four (4) other tenements—EXPA-000102-A-V, EXPA-000237-V, EXPA-000251-V, and EXPA-000253-V—have been endorsed to the Mines and Geosciences Bureau (MGB) Central Office for final evaluation before their conversion into Exploration Permits. For EXPA-0000254-V, BMRC has yet to secure area clearance from the Tourism Department prior to its conversion. On December 12, 2025, EXPA 000237-V has been converted into an exploration permit, EP 030-2025-V. As of December 31, 2025, 4 tenements have been endorsed to MGO CO – EXPA-00236-V (former APSA 20-V), EXPA-00102-V-A, EXPA-000253-V (former AMPSA-V-095) and EXPA-000251 (former AMPSA-V-096).

In November 2024, EXPA-000236-V (formerly APSA-0020), where the Coral Resources Philippines, Inc. (CRPI) Gold Processing Plant site is located, was reinstated to BMRC and is expected to undergo conversion process into Exploration Permit. In 2025, CRPI was granted a mineral processing permit effective July 1, 2025 until July 1, 2030.

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

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

Mongolia Project

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

Sierra Leone and Uganda Projects

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

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

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



Myanmar Project

The Modi Tuang Gold Project is located in the Yementhin Township, Mandalay Division, South East of Mandalay and North of Yangon, Myanmar. The project is controlled by National Prosperity Gold Production Group Ltd. (NPGPGL) in which the Group has a 3.92% equity interest. As at December 31, 2025, the operation is still suspended due to dispute with the Myanmar government on the license terms.

North Davao Project

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

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

In 2025, AAMRC completed the validation of remaining North Davao Mining Corporation (NDMC) reserves in Amacan, resulting in updates to the project's resource base and supporting improvements in geological confidence and overall project assessment. Validation work in Hijo was also completed, with further exploration required to support formal resource estimation.

During the year, AAMRC concluded community assemblies across all 24 barangays covered by AFTA-000014-XI as part of the Free, Prior and Informed Consent (FPIC) process. Baseline studies for the Environmental Impact Assessment (EIA) were likewise finalized to support the application for an ECC. Following the expiration of the ATVM in April 2025, permitting efforts focused on securing the remaining regulatory approvals in preparation for planned project development in late 2026.

b. Oil and Gas

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

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

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



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

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

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

On March 20, 2023, the DOE further affirmed that the entire period from when the *force majeure* was lifted to when it was re-imposed (October 14, 2020 to April 6, 2022) will be credited back to SC 72. Consequently, once the *force majeure* is lifted, Forum will have 20 months to drill the two (2) commitment wells. While the consortium has expressed its readiness to drill the commitment wells the government approval of the same has yet to be secured. The Service Contract remains under Moratorium in 2025.

On November 21, 2025, the DOE approved SC 72 2026 WP&B that Forum submitted on October 27, 2025. The approved WP&B classified only general and administrative expenses and SC payments as firm budgets. The implementation of the SP 2 work commitment comprising the drilling of two (2) wells, will be contingent upon the lifting of the *force majeure* imposed by the DOE in April 2022.

c. Solid Waste Management

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

Authorization to issue the Consolidated Financial Statements

The accompanying consolidated financial statements of the Group as at December 31, 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 consolidated financial statements have been prepared on a historical cost basis, except for inventories which are valued at lower of cost and net realizable value and property, plant, and equipment, which are carried at revalued amounts, and for financial assets measured at FVOCI. The consolidated financial statements are presented in Philippine peso, which is the Parent Company's functional and presentation currency. All values are rounded to the nearest peso, except when otherwise indicated.

Statement of Compliance

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

Basis of Consolidation

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

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

	Nature of business	Country of incorporation	Effective percentage of ownership	
			2025	2024
ISRI	Mine exploration and development, and gold trading	Philippines	100.00	100.00
AAMRC	Mine exploration and development, and gold and copper trading	Philippines	100.00	100.00
MORE	Mine and oil exploration and development	Philippines	100.00	100.00
MORE's Subsidiaries:				
Minas	Mine exploration and development, and gold trading	Mongolia	100.00	100.00
PGL	Mine exploration and development	Isle of Man	100.00	100.00
CRPI*	Mine exploration and development	Philippines	100.00	100.00
BMRC*	Mine exploration and development	Philippines	100.00	100.00
MMSL	Mine exploration and development, and gold trading	Sierra Leone	90.00	90.00
MOMCL	Mine exploration and development, and gold trading	Sierra Leone	90.00	90.00
ICSI	Solid waste management	Philippines	52.00	52.00

*Indirect ownership through PGL

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- 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 Issued but not yet Effective

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

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 Consolidated Financial Statements

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

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



Financial Instruments - Initial Recognition and Subsequent Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

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

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

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

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

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

As at December 31, 2025 and 2024, the Group has no financial assets at FVTPL.

Subsequent Measurement

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

Financial Assets at Amortized Cost (Debt Instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding. The details of these conditions are outlined below:

Business Model Assessment

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

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



The SPPI test

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

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

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

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

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

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

Financial Assets Designated at FVOCI (Equity Instruments)

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

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

Financial Liabilities

Initial Recognition and Measurement

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

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

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



Subsequent Measurement

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

Impairment of Financial Assets

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

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

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

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

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

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



Derecognition of Financial Assets and Financial Liabilities

Financial Assets

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

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

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

Financial Liabilities

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

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

Offsetting of Financial Instruments

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

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

Fair Value Measurement

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



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

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

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

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

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

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

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

Business Combinations

Acquisition Method

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

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

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



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

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

Asset Acquisitions

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

Inventories

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

Mine Products Inventory

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

Materials and Supplies

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

Leases

Determination of Whether an Arrangement Contains a Lease

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

Short-term leases and leases of low-value assets

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



Property, Plant, and Equipment

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

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

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

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

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

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

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

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

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

Property, plant and equipment are depreciated or depleted from the moment the assets are available for use and after the risks and rewards are transferred to the Group. Depreciation and depletion cease when the assets are fully depreciated or depleted, or at the earlier of the period that the item is classified as held-for-sale (or included in the disposal group that is classified as held-for-sale) in



accordance with PFRS 5, *Noncurrent Assets Held-for-Sale and Discontinued Operations*, and the period the item is derecognized.

Development Costs and Mine and Mining Properties

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

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

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

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

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

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

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

Deferred Exploration Costs

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



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

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

Intangible Assets

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

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

Other Noncurrent Assets

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

Value-added Tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

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

Impairment of Nonfinancial Assets

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

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



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

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

Deferred Exploration Costs

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

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

Interest in Joint Arrangements

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

Joint Operations

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

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

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



Provision for Mine Rehabilitation and Decommissioning

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

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

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

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

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

Retirement Benefits Costs

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

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



Defined benefit costs comprise the following:

- service cost
- net interest on the net defined benefit liability or asset
- remeasurements of net defined benefit liability or asset

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

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

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

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

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

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

Treasury Shares

Treasure shares pertain to the Parent Company's own shares that are held by MORE.

Earnings Per Share

Basic

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



Diluted

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

Revenue Recognition from Mine Products

The Group sends its unrefined dore to a refiner for processing into marketable metals. While it has possession of the materials, control does not automatically transfer to the refiner, unless the Group 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

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

Costs and Expenses

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

Cost of Production

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

Excise Taxes

Excise taxes pertain to the taxes due from the Group for its legal obligation arising from its mine products. Excise taxes are 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 Group. These are recognized when incurred.

Borrowing Cost

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



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

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

Income Taxes

Current Income Tax

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

Deferred Income Tax

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

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

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

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

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

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

Uncertainty over income tax treatments

The Group assesses at the end of each reporting period whether it has any uncertain tax treatments by reviewing the assumptions about the examination of tax treatments by the taxation authority, determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, and considering changes in relevant facts and circumstances. The Group then evaluates how likely is it that a certain tax treatment will be accepted by the taxation authority. If it is probable that the



taxation authority will accept a certain tax treatment, the Group concludes that it has no uncertain tax treatment and will measure tax amounts in line with the income tax filings.

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

Operating Segments

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

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

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

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

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

3. **Summary of Significant Accounting Judgments, Estimates and Assumptions**

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

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

Judgments

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



Identifying a Business Combination

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

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

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

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

Determination and Classification of a Joint Arrangement

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

Specifically, the Group considers:

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

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

The Group is a member of SC 72 consortium which is entered into with the Philippine Government through a service contract. As at December 31, 2025 and 2024, the Group's joint arrangement is in the form of joint operation.

Accounting Estimates and Assumptions

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

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

The Group uses the general approach model as impairment requirement of PFRS 9 based on ECL. An assessment of the ECL relating to trade and other receivables, advances to related parties, advances to



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

Total carrying value of trade and other receivables, advances to related parties, advances to GMU, advances for land acquisition and nontrade receivable amounted to ₱2.61 billion and ₱1.27 billion as at December 31, 2025 and 2024, respectively. These are net of allowance for impairment losses amounting to ₱303.16 million as at December 31, 2025 and 2024 (see Notes 5, 13, and 15).

Estimation of Allowance for Inventory Losses and Obsolescence

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

As at December 31, 2025 and 2024, the carrying amounts of inventories amounted to ₱1.29 billion and ₱1.55 billion, respectively, net of allowance for inventory losses and obsolescence amounting to ₱153.87 million and ₱149.11 million, respectively (see Note 6). In 2025 and 2024, the Group recognized provision for inventory losses and obsolescence amounting to ₱4.77 million and ₱101.40 million, respectively. While in 2023, the Group recognized reversal of allowance for inventory losses and obsolescence amounting to ₱37.32 million (see Note 6).

Assessment of the Recoverability of Deferred Exploration Costs

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

In 2025, 2024 and 2023, the Group recognized provision for impairment losses amounting to ₱10.48 million, ₱2.89 million and ₱30.31 million, respectively (see Note 23).

As at December 31, 2025 and 2024, the carrying values of the deferred exploration costs amounted to ₱7.69 billion and ₱6.68 billion, respectively, net of allowance for impairment amounting to ₱622.39 million and ₱611.91 million, respectively (see Note 11).

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

The Group estimates the fair values, useful lives and residual values of property, plant and equipment based on the results of assessment of independent appraisers accredited by PSE and SEC. Fair values and estimated useful lives of the property, plant and equipment are reviewed periodically and are



updated if expectations differ from previous estimates due to physical wear and tear, technical and commercial obsolescence and other limits on the use of the assets.

Property, plant and equipment at revalued amounts as at December 31, 2025 and 2024 has net book values amounting to ₱19.43 billion and ₱15.12 billion, respectively, while property, plant and equipment at cost as at December 31, 2025 and 2024 has net book values amounting to ₱17.59 billion and ₱14.90 billion, respectively (see Note 10).

Estimation of Depletion Rate

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

Depletion rates used to amortize depletable mine and mining properties in 2025, 2024 and 2023 were 9%, 13%, and 11%, respectively. Depletion costs amounted to ₱302.42 million, ₱303.00 million and ₱412.54 million in 2025, 2024 and 2023, respectively. As at December 31, 2025 and 2024, the carrying values of depletable mine and mining properties amounted to ₱3.34 billion and ₱3.32 billion, respectively, net of accumulated depletion amounting to ₱5.12 billion and ₱4.82 billion, respectively (see Note 10).

Estimation of Impairment of Nonfinancial Assets, including Property, Plant and Equipment, Intangible Assets, and Other Current and Noncurrent Assets

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

Aggregate net book values of property, plant and equipment, intangible assets, and nonfinancial other current and noncurrent assets amounted to ₱22.07 billion and ₱17.94 billion as at December 31, 2025 and 2024, respectively (see Notes 7, 10, 12, and 13).

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 ₱504.56 million and ₱504.14 million, respectively (see Note 10). Impairment loss recognized in 2025, 2024 and 2023 amounted to ₱0.42 million, nil, and nil, respectively (see Note 23).

As at December 31, 2025 and 2024, allowance for impairment loss on intangibles assets amounted to ₱192.20 million (see Note 12). No impairment loss was recognized in 2025, 2024 and 2023.

As at December 31, 2025 and 2024, allowance for impairment loss on nonfinancial other noncurrent assets amounted to ₱693.36 million and ₱408.42 million, respectively. Impairment loss recognized in 2025, 2024 and 2023 amounted to ₱284.94 million, ₱112.13 million and ₱153.19 million, respectively (see Note 23).



Estimation of Provision for Retirement Benefits

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

Retirement benefits costs amounted to ₱80.38 million, ₱70.67 million and ₱93.92 million in 2025, 2024 and 2023, respectively. Provision for retirement benefits amounted to ₱546.08 million, and ₱435.19 million as at December 31, 2025 and 2024, respectively. Benefits paid in 2025 and 2024 amounted to ₱7.47 million and ₱25.46 million, respectively (see Note 16).

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

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

Estimation of Provision for Mine Rehabilitation and Decommissioning

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

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

Accretion expense amounted to ₱0.99 million and ₱0.72 million in 2025 and 2024, respectively. Effect of change in estimate on provision for mine rehabilitation amounted to (₱0.28 million) and ₱0.91 million in 2025 and 2024, respectively. As at December 31, 2025 and 2024, the provision for mine rehabilitation and decommissioning amounted to ₱21.54 million and ₱20.83 million, respectively (see Note 17).

Assessment of Realizability of Deferred Income Tax Assets

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

As at December 31, 2025 and 2024, the Group recognized deferred tax asset 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 ₱2.91 billion and ₱2.56 billion, respectively (see Note 27).



4. Cash and Cash Equivalents

	2025	2024
Cash on hand	₱4,157,465	₱3,153,010
Cash with banks	3,319,734,149	3,189,393,077
Short-term deposits	8,739,010	8,612,240
	₱3,332,630,624	₱3,201,158,327

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

Interest income arising from cash with banks and short-term deposits amounted to ₱1.95 million, ₱11.33 million, and ₱14.61 million in 2025, 2024 and 2023, respectively (see Note 23).

The Group has foreign currency-denominated cash amounting to US\$23.49 million and US\$36.94 million as at December 31, 2025 and 2024, respectively (see Note 28).

5. Trade and Other Receivables

	2025	2024
Trade	₱2,324,596,229	₱1,229,808,874
Advances to officers and employees	26,282,594	36,198,345
Receivable from the government	178,660,455	–
Others	53,651,215	50,492,690
	2,583,190,493	1,316,499,909
Less provision for ECL	21,989,828	21,989,828
	₱2,561,200,665	₱1,294,510,081

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

The Group has foreign currency-denominated trade and other receivables amounting to US\$38.79 million and US\$20.85 million as at December 31, 2025 and 2024, respectively (see Note 28).

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

Receivable from the government represents the Parent Company's approved claims for input VAT refund from the Bureau of Customs (BOC) which is expected to be collected within 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 provision for ECL on other receivables amounted to ₱21.99 million as at December 31, 2025 and 2024. The Group did not recognize any additional provision nor reversal in 2025, 2024, and 2023.



6. Inventories

	2025	2024
Gold and silver bullions and buttons - at cost	₱80,806,401	₱244,580,700
Metals in-circuit - at cost	48,458,029	153,811,586
Ore stockpile - at cost	15,135,109	42,555,577
	144,399,539	440,947,863
Materials and supplies - at NRV	1,298,605,375	1,260,636,420
Less allowance for inventory losses and obsolescence	153,872,572	149,105,402
	1,144,732,803	1,111,531,018
	₱1,289,132,342	₱1,552,478,881

Cost of inventories recognized as part of cost of production amounted to ₱3.74 billion, ₱2.98 billion, and ₱2.36 billion in 2025, 2024 and 2023, respectively (see Note 21).

Cost of materials and supplies recognized as part of general and administrative expenses in 2025, 2024 and 2023 amounted to ₱7.90 million, ₱26.56 million, and ₱5.67 million, respectively (see Note 22).

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

	2025	2024	2023
Beginning balances	₱149,105,402	₱47,702,461	₱85,025,491
Provision	4,767,170	101,402,941	–
Reversal	–	–	(37,323,030)
Ending balances	₱153,872,572	₱149,105,402	₱47,702,461

7. Other Current Assets

	2025	2024
Advances to suppliers and contractors	₱1,411,918,710	₱997,651,736
Prepayments	64,751,207	45,705,398
Others	44,287,561	41,987,538
	₱1,520,957,478	₱1,085,344,672

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

Prepayments include licenses and premiums on insurance policies covering the Group's heavy equipment, vehicles, plant and employees and payments made for gold insurance

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



8. Assets Held-for-Sale

On May 27, 2022, Forum, on behalf of the SC 72 Joint Venture, and Nido Petroleum Philippines Pty Ltd (“Nido”), technical operator of SC 54 and SC 6B, signed a Term Sheet wherein Nido agreed to purchase most of the SC 72 long lead items (LLIs) such as wellheads, casings and accessories, conductor, drill bits, etc. for US\$2.9 million, to be paid in tranches within 12 months.

On June 10, 2022, a Sale and Purchase Agreement (SPA) was executed with Nido to formalize the transaction. Nido paid the first tranche amounting to US\$400 thousand in mid-June 2022. The second and third tranches amounting to US\$500 thousand each were paid on September 7 and October 7, 2022, respectively. The balance of US\$1.5 million due on or before June 10, 2023.

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

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

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

9. Financial Assets Measured at FVOCI

Rollforward analysis of equity securities for the years ended December 31, 2025 and 2024 follow:

	2025	2024
Cost	₱347,842,240	₱347,842,240
Change in fair value of equity instrument		
financial assets:		
At the beginning of the year	(340,842,240)	(340,842,240)
Changes of fair value recognized in OCI	(500,000)	–
At the end of the year	(341,342,240)	(340,842,240)
	₱6,500,000	₱7,000,000

As at December 31, 2025 and 2024, financial assets at FVOCI pertains to MORE’s investment in National Prosperity Gold Production Group Ltd. (NPGPGL) and ISRI’s investment in Baguio Country Club (BCC) golf shares.

NPGPGL is a private entity in Myanmar, in which the Group holds a 3.92% ownership interest costing ₱344.64 million as at December 31, 2025 and 2024. The operations of NPGPGL were suspended due to dispute with the Myanmar government on the license terms. In 2018, the Group recognized remeasurement loss on the financial asset at FVOCI amounting to ₱344.64 million, thus as at December 31, 2025 and 2024, the fair value of the financial asset at FVOCI for MORE’s investment in NPGPGL amounted to nil. No dividend was recognized by MORE from NPGPGL in 2025 and 2024.

As at December 31, 2025 and 2024, the fair value of the financial asset at FVOCI of ISRI’s investment in BCC shares amounted to ₱6.50 million and ₱7.00 million, respectively.



10. 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:								
Balances at beginning of year	₱713,543,002	₱10,518,190,676	₱947,972,274	₱1,391,951,834	₱865,361,097	₱12,985,527,181	₱2,492,097,244	₱29,914,643,308
Additions	211,508,505	1,237,468,950	62,175,564	15,320,911	255,171,259	1,205,076,681	1,349,387,354	4,336,109,224
Capitalized borrowing cost (Note 18)	—	—	—	—	—	47,479,948	10,316,109	57,796,057
Capitalized depreciation (Note 24)	—	—	—	—	—	113,906,406	—	113,906,406
Reclassifications from construction in-progress	69,057,895	238,861,841	79,401,342	11,369,750	18,862,603	—	(417,553,431)	—
Revaluation	186,144,404	456,124,123	22,071,903	876,176,375	80,223,936	—	—	1,620,740,741
Disposals and write-off	—	(3,744,500)	—	—	(5,634,728)	—	—	(9,379,228)
Balances at end of year	1,180,253,806	12,446,901,090	1,111,621,083	2,294,818,870	1,213,984,167	14,351,990,216	3,434,247,276	36,033,816,508
Accumulated depreciation and depletion:								
Balances at beginning of year	422,487,683	6,900,468,570	710,614,605	932,775,601	507,759,189	4,816,796,664	—	14,290,902,312
Depreciation and depletion (Note 24)	91,208,788	1,115,803,404	75,039,383	117,084,110	115,572,173	302,415,367	—	1,817,123,225
Disposals and write-off	—	(3,744,500)	—	—	(5,595,965)	—	—	(9,340,465)
Balances at end of year	513,696,471	8,012,527,474	785,653,988	1,049,859,711	617,735,397	5,119,212,031	—	16,098,685,072
Allowance for impairment:								
Balances at beginning of year	286,367	3,318,744	—	159,229,430	425,535	—	340,878,840	504,138,916
Impairment loss	—	—	422,999	—	—	—	—	422,999
Balances at end of year	286,367	3,318,744	422,999	159,229,430	425,535	—	340,878,840	504,561,915
Net book values	₱ 666,270,968	₱4,431,054,872	₱325,544,096	₱1,085,729,729	₱595,823,235	₱9,232,778,185	₱3,093,368,436	₱19,430,569,521



2024

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



In 2025, the Group 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 Group assessed that the current use of the buildings and improvements, mining and milling equipment, power equipment, roads bridges and land improvements and exploration equipment and others is their highest and best use.

Construction in-progress consists mainly of expenditures and other construction projects such as Tailings Management Facility, drainage tunnels, etc. at different stages of completion as at December 31, 2025 and 2024.

Movement in revaluation surplus in equity is as follows:

	2025	2024
Balances at beginning of year	₱166,099,883	₱190,678,741
Additions	1,260,761,621	–
Realized portion through depreciation, net of tax (Note 19)	(45,206,065)	(24,578,858)
Balance at end of year	₱1,381,655,439	₱166,099,883

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

	Roads						Total
	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
At cost:							
Balances at end of year	₹950,377,312	₹12,492,904,459	₹1,166,472,744	₹1,390,277,401	₹1,184,599,967	₹14,351,990,216	₹3,220,804,001
Accumulated depreciation and depletion:							
Balances at end of year	525,001,216	8,460,486,257	804,007,309	1,077,156,371	678,638,733	5,119,212,031	–
Allowance for impairment:							
Balances at end of year	286,367	3,318,744	422,999	159,229,430	425,535	–	340,878,840
Net book values	₹425,089,729	₹4,029,099,458	₹362,042,436	₹153,891,600	₹505,535,699	₹9,232,778,185	₹2,879,925,161

2024

	Roads						Total
	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
At cost:							
Balances at end of year	₹669,810,912	₹11,020,318,168	₹1,024,895,838	₹1,363,586,740	₹916,200,833	₹12,985,527,181	₹2,278,653,969
Accumulated depreciation and depletion:							
Balances at end of year	433,792,428	7,348,427,353	728,967,926	960,072,258	568,662,528	4,816,796,664	–
Allowance for impairment:							
Balances at end of year	286,367	3,318,744	–	159,229,430	425,535	–	340,878,840
Net book values	₹235,732,117	₹3,668,572,071	₹295,927,912	₹244,285,052	₹347,112,770	₹8,168,730,517	₹1,937,775,129



The cost of fully depreciated property, plant and equipment that are still being used amounted to ₱4.73 billion and ₱4.07 billion as at December 31, 2025 and 2024, respectively.

The Group capitalized borrowing cost amounting to ₱10.32 million and ₱15.93 million for construction in-progress, ₱47.48 million and ₱61.66 million for mine development costs in 2025 and 2024, respectively. The rate used by the Parent Company to determine the amount of borrowing costs eligible for capitalization was 7.24% and 6.51% in 2025 and 2024, respectively. The rate used by ISRI was 8.52% and 8.66% in 2025 and 2024, respectively (see Note 18).

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

2025					
	Depletable			Mine development cost	Total
	Mine and mining properties	Mine rehabilitation assets	Subtotal		
Cost:					
Balances at beginning of year	₱8,111,891,184	₱29,259,674	₱8,141,150,858	₱4,844,376,323	₱12,985,527,181
Additions	–	–	–	1,205,076,681	1,205,076,681
Capitalized depreciation	–	–	–	113,906,406	113,906,406
Capitalized borrowing costs	982,178	–	982,178	46,497,770	47,479,948
Transfers	318,832,190	–	318,832,190	(318,832,190)	–
Balances at end of year	8,431,705,552	29,259,674	8,460,965,226	5,891,024,990	14,351,990,216
Accumulated depletion:					
Balances at beginning of year	4,790,009,284	26,787,380	4,816,796,664	–	4,816,796,664
Depletion	302,044,282	371,085	302,415,367	–	302,415,367
Balances at end of year	5,092,053,566	27,158,465	5,119,212,031	–	5,119,212,031
Net book values	₱3,339,651,986	₱2,101,209	₱3,341,753,195	₱5,891,024,990	₱9,232,778,185
2024					
	Depletable			Mine development cost	Total
	Mine and mining properties	Mine rehabilitation assets	Subtotal		
Cost:					
Balances at beginning of year	₱6,835,096,228	₱29,259,674	₱6,864,355,902	₱4,886,090,264	₱11,750,446,166
Additions	–	–	–	1,095,402,880	1,095,402,880
Capitalized depreciation	–	–	–	78,017,380	78,017,380
Capitalized borrowing costs	–	–	–	61,660,755	61,660,755
Transfers	1,276,794,956	–	1,276,794,956	(1,276,794,956)	–
Balances at end of year	8,111,891,184	29,259,674	8,141,150,858	4,844,376,323	12,985,527,181
Accumulated depletion:					
Balances at beginning of year	4,487,010,887	26,787,380	4,513,798,267	–	4,513,798,267
Depletion	302,998,397	–	302,998,397	–	302,998,397
Balances at end of year	4,790,009,284	26,787,380	4,816,796,664	–	4,816,796,664
Net book values	₱3,321,881,900	₱2,472,294	₱3,324,354,194	₱4,844,376,323	₱8,168,730,517

The carrying amount of the Parent Company's asset retirement obligation (ARO) pertaining to mine rehabilitation assets amounted to nil as at December 31, 2025 and 2024.

As at December 31, 2025 and 2024, the carrying amount of ISRI's ARO amounted to ₱2.10 million and ₱2.47 million, respectively.



11. Deferred Exploration Costs

	2025	2024
Balances at beginning of year	₱7,289,636,781	₱6,934,448,200
Additions	1,080,601,850	531,324,153
Transfers	(55,471,859)	(176,135,572)
	8,314,766,772	7,289,636,781
Less allowance for impairment losses	622,390,478	611,906,360
	₱7,692,376,294	₱6,677,730,421

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

Mining Rights

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

The Gori Hills project located in the Republic of Sierra Leone in West Africa is owned through MOMCL which holds the tenements for the project. In 2021, it received a notice that its tenement license was revoked by the National Mineral Agency. In 2021, BMRC tenement applications were adversely affected by the freeze on issuance of new mining licenses by the Philippine government.

The Group recognized an allowance for impairment losses on deferred exploration costs amounting to ₱10.48 million, ₱2.89 million and ₱30.31 million in 2025, 2024 and 2023, respectively (Note 23).

12. Intangible Assets

	2025		
	Franchise	Computer Software	Total
Cost:			
Balances at beginning of year	₱192,202,964	₱98,439,440	₱290,642,404
Additions	–	13,952,497	13,952,497
Balances at end of year	192,202,964	112,391,937	304,594,901
Accumulated amortization:			
Balances at beginning of year	–	88,810,239	88,810,239
Amortization (Note 24)	–	2,744,069	2,744,069
Balances at end of year	–	91,554,308	91,554,308
Allowance for impairment:			
Balances at beginning and end of year	192,202,964	–	192,202,964
Net book values	₱–	₱20,837,629	₱20,837,629



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

Franchise pertains to ICSI's cost of franchise for the implementation of the Solid Waste Management Project under a BOT contract with DENR. As at December 31, 2025, the BOT contract with the Philippine government is not yet implemented (see Note 1). In 2021, the Group assessed that this was no longer recoverable.

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

13. Other Noncurrent Assets

	2025	2024
Advances for royalties (Note 1)	₱1,851,255,664	₱1,736,565,557
Input VAT	1,543,051,941	1,656,483,822
Deposits	121,066,754	75,336,074
Advance to Gold Mines of Uganda Ltd. (GMU)	112,129,250	112,129,250
Advances for land acquisition	93,530,149	93,530,149
MRF	76,001,626	28,298,187
Nontrade receivable	75,517,940	75,517,940
Others	1,776,503	1,758,754
	3,874,329,827	3,779,619,733
Less allowance for impairment losses	974,534,509	689,590,869
	₱2,899,795,318	₱3,090,028,864

Advances for Royalties

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

On February 29, 2024, the Parent Company made additional advance payment to AAMRC amounting to US\$1.00 million or ₱56.10 million related to the royalty fee under JOA and to be 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 ₱58.10 million and ₱58.55 million, respectively.



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.

Input VAT

Input VAT represents VAT imposed on the Group by its suppliers for the acquisition of goods and services, which the Group applies for cash refund by regulatory agencies.

Movement in allowance for impairment of input VAT is as follows:

	2025	2024	2023
At beginning of the year	₱408,418,530	₱296,287,088	₱143,098,681
Provision (Note 23)	284,943,640	112,131,442	153,188,407
At end of year	₱693,362,170	₱408,418,530	₱296,287,088

Advance to GMU

Advance to GMU pertains to US\$2.03 million noninterest-bearing advances to cover exploration activities of GMU. As of December 31, 2025, no significant update and progress were noted in the project. The Group recognized impairment loss on advances to GMU amounting to nil, ₱112.12 million and nil in 2025, 2024 and 2023, respectively (Note 23).

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.

Advance for Land Acquisition

Advances for the land acquisition consists of advance payments made to various landowners aggregating for the purchase of land to be used in the Group's project to construct and operate a sanitary landfill in relation to BOT contract with the Philippine government, which is not yet implemented. Hence, these advances were impaired. Allowance for impairment loss related to advances for land acquisition amounted to ₱93.53 million as at December 31, 2025 and 2024.

MRF

As at December 31, 2025 and 2024, the Group maintains MRFs consisting of monitoring trust, rehabilitation cash, environmental trust and final rehabilitation and decommission funds as provided in its agreements entered into with the provincial government and the Mines and Geosciences Bureau (MGB). The funds are restricted for withdrawal unless approved by MGB. The funds are only to be used for the physical and social rehabilitation, reforestation and restoration of areas and communities affected by mining activities, pollution control, slope stabilization, and integrated community development projects.

Nontrade receivable

Nontrade receivable refers to the advances to stockholders with minority interest. Allowance for impairment loss related to nontrade receivables amounted to ₱75.52 million as at December 31, 2025 and 2024.

Others

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



14. Trade and Other Payables

	2025	2024
Trade	₱1,082,537,290	₱1,139,592,665
Nontrade	334,768,653	323,907,205
Accrued expenses	263,574,790	188,960,079
Accrued employee benefits	113,328,125	110,371,387
Payables to government agencies	157,707,959	107,565,562
Dividends payable	75,969,064	59,437,064
Retention payable	58,200,439	13,279,920
Advances from stockholder	64,354,202	64,354,202
Others	75,696,749	24,387,586
	₱2,226,137,271	₱2,031,855,670

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

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

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

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

Payables to government agencies include accruals for excise taxes due from the Group's mine operations and withholding taxes which are normally settled within 10 to 15 days after the end of each reporting month or 30 days after the end of each reporting quarter.

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

Advances from stockholder pertain to non-interest bearing cash advances for working capital requirements.

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

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

15. Related Party Disclosures

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by, or are under common control with the Group, including holding companies and subsidiaries, are related parties of the Group. Associates and individuals owning, directly or indirectly, voting power that gives them significant influence over the Group, its key management



personnel, directors and officers, and key management personnel. Close members of the family of these individuals, and companies associated with these individuals, also constitute related parties. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely on the legal form.

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

Category	Relationship	Year	Volume/ Amount	Outstanding balance	Terms	Conditions
Cash advances to:						
<i>Prime Strategic Holdings, Inc. (PSHI)</i>	Parent	2025 2024	₱67,259,305 ₱–	₱67,259,305 ₱–	Due and demandable	Unsecured, not guaranteed
<i>MORE Coal</i>	With common stockholders	2025 2024	– –	1,186,593 1,186,593	Due and demandable	Unsecured, cash-settled
<i>MORE Oil & Gas</i>	With common stockholders	2025 2024	– –	603,126 603,126	Due and demandable	Unsecured, cash-settled
<i>MORE Reedbank</i>	With common stockholders	2025 2024	– –	514,390 514,390	Due and demandable	Unsecured, cash-settled
		2025 2024	₱67,259,305 ₱–	₱69,563,414 ₱2,304,109		

Category	Relationship	Year	Volume/ Amount	Outstanding Balance	Terms	Conditions
Cash advances from:						
<i>PSHI</i>	Parent	2025 2024	₱– ₱374,858,016	₱– ₱374,858,016	Due and demandable	Unsecured, not guaranteed

- Advances to related parties pertain to funds obtained for its working capital requirements.
- Advances from PSHI pertain to advances obtained by the Group for its working capital requirements.
- Material related party transactions refer to any related party transaction/s, either individually or in aggregate over a 12-month period with the same related party, amounting to 10% or higher of the Group's total consolidated assets based on its latest audited financial statements.

Trustee Bank

The Group's retirement fund pertains only to the Parent Company's retirement fund that is being held by a trustee bank. The carrying amounts of the Parent Company's retirement fund amounted to ₱17.94 million and ₱16.85 million as at December 31, 2025 and 2024, respectively (see Note 16).

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

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

As at December 31, 2025 and 2024, the retirement fund consists of investments in cash and short-term deposits, government bonds, and others which account for 91.27% and 95.11% 8.73% and



4.51% and 0.00% and 0.38% respectively, of its composition. The Parent Company made no contributions to the fund in 2025 and 2024 (see Note 16). There were no transactions made between the Parent Company and the retirement fund in both years.

Compensation of Key Management Personnel

The Group considers all employees holding executive positions up to the Chairman of the Board as key management personnel. There were no stock options granted to the key management personnel in 2025, 2024 and 2023. Other long-term benefits granted to key management personnel amounting to ₱21.43 million and ₱17.2 million in 2025 and 2024, 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.

16. Provision for Retirement Benefits

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

The following table summarizes the components of retirement benefits costs and liability recognized in the Group's statements of comprehensive income and the Group's statements of financial position, respectively.

The details of retirement benefits costs follow:

	2025	2024	2023
Current service cost (Note 25)	₱54,061,047	₱49,216,300	₱72,293,134
Interest cost - net (Note 26)	26,321,364	21,458,660	21,622,265
	₱80,382,411	₱70,674,960	₱93,915,399

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 benefit liability
At January 1	₱452,032,362	₱16,845,168	₱435,187,194
Net interest (Note 26)	27,348,919	1,027,555	26,321,364
Current service cost (Note 25)	54,061,047	–	54,061,047
Benefits paid	(7,472,416)	–	(7,472,416)
Remeasurement of actuarial losses (gains):			
Experience	52,977,381	–	52,977,381
Changes in financial assumptions	(15,827,040)	–	(15,827,040)
Net acquired obligation due to employee transfers	892,504	–	892,504
Remeasurement loss - return on plan assets	–	62,750	(62,750)
	38,042,845	62,750	37,980,095
At December 31	₱564,012,757	₱17,935,473	₱546,077,284



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

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

	2025	2024
At January 1	₱29,040,911	₱17,496,385
Actuarial gain (loss) - defined benefit obligation	(38,856,422)	16,594,056
Remeasurement gain - plan asset	1,768,831	(1,439,545)
Income tax effect	9,906,302	(3,609,985)
At December 31	₱1,859,622	₱29,040,911

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	6.45%	6.10%
Salary increase rate	4.00%	5.00%
Expected average remaining life	11.0	11.0
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	7.45% (5.45%)	(P22,491,069) 26,229,657	7.10% (5.10%)	(P18,854,421) 22,103,815
Salary increase rate	6.00% (4.00%)	P27,731,518 (24,151,403)	6.00% (4.00%)	P23,245,985 (20,145,818)

The latest available actuarial valuation report of the Parent Company was dated March 14, 2025 representing 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	P95,731,915	P73,189,433
More than one (1) to five (5) years	196,470,268	148,883,397
More than five (5) to 10 years	345,041,478	326,013,206
	P637,243,661	P548,086,036

17. Provision for Mine Rehabilitation and Decommissioning

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

	2025	2024
Balance at beginning of year	P20,830,866	P19,196,681
Accretion (Note 26)	986,651	721,709
Effect of change in estimate	(280,421)	912,476
Balance at end of year	P21,537,096	P20,830,866

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

Actual costs will, however, ultimately depend upon future market prices for the necessary works required which will reflect market conditions at the relevant time. Furthermore, the timing of the rehabilitation and expenditure of other costs is likely to depend on when the mine ceases to produce at economically viable rates, and the timing that the event for which the other provisions provided for will occur. Discount rate as of December 31, 2025 and 2024 is 4.98%.



As at December 31, 2025 and 2024, ISRI's provision for mine rehabilitation and decommissioning amounted to ₱5.58 million and ₱5.63 million, respectively, representing the present value of rehabilitation costs relating to the Sangilo mine, which is expected to be incurred up to 2039. Effect of change in estimate in 2025 resulted to a decrease in provision for mine rehabilitation and decommissioning (see Note 10).

18. Loans Payable

	2025	2024
Philippine National Bank (PNB)	₱3,114,216,648	₱3,187,592,011
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
	6,501,204,648	7,229,324,449
Less current portion	2,846,171,688	2,618,354,384
Noncurrent portion	₱3,655,032,960	₱4,610,970,065

PNB

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

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

In May 2019, ISRI was granted various credit facilities by PNB, including an Omnibus Line with a principal amount of ₱200 million and a Counterparty Line (FX Line), which consisted of a ₱2 million Pre-settlement Risk Line and a ₱100 million Settlement Risk Line. On October 11, 2024, the Omnibus Line was increased to ₱500 million with a new expiration date of July 31, 2025. In 2025, PNB granted renewal of the Omnibus Line with a new expiry date of July 31, 2026.

ISRI has outstanding unsecured TRs amounting to ₱249.72 million and ₱180.70 million for its importation of machinery and equipment using the standard credit terms with PNB of 180 days as at as at December 31, 2025 and 2024, respectively.

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

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



Upon maturity on December 15, 2024, the Parent Company has fully paid this Term Loan Facility.

As at December 31, 2025 and 2024, all loan covenants are complied with.

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

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

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

The Parent Company has an outstanding unsecured promissory note equivalent to ₱503.41 million and ₱766.1 million as at December 31, 2025 and 2024, respectively.

As at December 31, 2025 and 2024, all loan covenants are complied with.

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

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

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

As at December 31, 2025 and 2024, all loan covenants are complied with.

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

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



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

ISRI has an outstanding unsecured promissory note equivalent to ₱175.00 million and ₱275.00 million as at December 31, 2025 and 2024, respectively.

As at December 31, 2025 and 2024, all loan covenants are complied with.

- On December 18, 2024, the Parent Company entered into a US\$108 million Omnibus Loan and Security Agreement (OLSA) with PNB and BOC. This term loan will convert the existing short-term borrowings with the BOC into a long-term loan and provide funding for the remaining installments of the 100% share acquisition of AAMRC. The OLSA will be drawn in three (3) annual tranches through 2026 and repaid quarterly over five years from the drawdown dates. The loan is secured by AAMRC's shares. The Parent Company is required to consistently maintain a DSCR of no less than 1.2x and a 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 and 2024, 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 state that prepayment shall be in a minimum principal amount of US\$1.00 million and multiples of US\$0.02 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

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

On February 7, 2024, the Parent Company entered into a short-term loan agreement with BOC for 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 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 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 \$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. The Parent Company is required to consistently maintain a DSCR of no less than 1.2x and a DER of 70:30. 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.

As at December 31, 2025 and 2024, all loan covenants are complied with.

The loan also contain prepayment provisions which state that prepayment shall be in a minimum principal amount of US\$1.00 million and multiples of US\$.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 notes. While as at December 31, 2025, the Parent Company has outstanding unsecured promissory notes amounting to ₱900.00 million and ₱600.00 million with a maturity date on February 25, 2025 and May 27, 2025, respectively, carrying an interest rate of 7.15% per annum for both promissory notes.

On November 24, 2025, the Parent Company obtained a 7.15% interest-bearing short-term loan from RCBC amounting to ₱600.00 million maturing on May 23, 2026.

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 Group's availment and payment of loans in 2025, 2024 and 2023 are as follows:

	2025		2024		2023	
	Availment	Payment	Availment	Payment	Availment	Payment
PNB	₱1,147,146,862	₱1,242,971,126	₱1,966,730,000	₱809,076,883	₱–	₱860,640,921
BOC	587,920,000	390,110,900	3,037,095,000	2,840,221,882	–	–
RCBC	600,000,000	900,000,000	600,000,000	–	–	–
UBP	–	581,033,966	254,518,000	130,606,808	–	101,516,700
	₱2,335,066,862	₱3,114,115,992	₱5,858,343,000	₱3,779,905,573	₱–	₱962,157,621

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

	2025	2024
PNB	₱249,256,787	₱103,590,955
BOC	158,894,277	263,866,817
RCBC	89,851,667	30,627,610
UBP	16,169,064	73,168,333
Subtotal	514,171,795	471,253,715
Capitalized borrowing costs (Note 10)	(57,796,057)	(77,593,831)
Interest on loans payable (Note 26)	₱456,375,738	₱393,659,884

The Group capitalized borrowing costs related to construction in-progress and mine development cost amounting to ₱57.80 million and ₱77.59 million in 2025 and 2024, respectively. The rate used by the Parent Company to determine the amount of borrowing costs eligible for capitalization was 7.24% and 6.51% in 2025 and 2024, respectively. The rate used by ISRI was 8.52% and 8.66% in 2025 and 2024, respectively (see Note 10).

19. Equity

Capital Stock

The Parent Company has authorized capital stock of ₱12.80 billion, divided into a single class of common shares, with a par value of ₱1.00 per share as at December 31, 2025 and 2024.

Record of Registration of Securities with the SEC

On March 7, 1974, the Parent Company listed its shares in 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	–	–

(Forward)



SEC ordered rendered effective or permitted to sell	Event	Authorized capital stock balance	Issued shares	Issue/offer price
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.

Issue	Number of shares registered	Issue/offer price	Date of SEC approval	Number of holders of securities as at December 31		
				2025	2024	2023
Common shares	12,800,000,000	₱1.00 par value	January 12, 2015	2,747	2,744	2,744

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

	2025		2024	
	Shares	Amount	Shares	Amount
Issued and subscribed shares at beginning and end of year	6,227,887,491	₱6,227,887,491	6,227,887,491	₱6,227,887,491
Treasury shares	(555,132,448)	(2,081,746,680)	(555,132,448)	(2,081,746,680)
Outstanding shares at end of year	5,672,755,043	₱4,146,140,811	5,672,755,043	₱4,146,140,811

APIC

There were no movements in APIC. As at December 31, 2025 and 2024, APIC amounted to ₱634,224.



Retained Earnings

Movements in the retained earnings are as follows:

	2025	2024
Balance at beginning of year	₱14,486,728,092	₱10,598,965,204
Net income attributable to the equity holders of the Parent Company	7,664,499,069	4,325,133,410
Dividends	(833,038,263)	(461,949,380)
Realization of revaluation surplus (Note 10)	45,206,065	24,578,858
Balance at end of year	₱21,363,394,963	₱14,486,728,092

Dividends

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

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

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 ₱833.04 million based on ₱6.23 billion common shares outstanding. Of the total dividends declared, ₱757.07 million was paid on April 25, 2025 to stockholders of record as of April 4, 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 33).

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 are expected to be completed in three (3) to four (4) years.

NCI

NCI consists of the following:

	2025	2024
NCI on net assets of:		
ICSI	₱27,085,381	₱27,553,816
Minas	(22,133,536)	(22,133,536)
MMSL	(3,573,406)	(3,588,780)
MOMCL	(9,486,087)	(9,481,953)
	(₱8,107,648)	(₱7,650,453)



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

Statements of comprehensive loss for the years ended December 31, 2025 and 2024:

	2025	2024
General and administrative expenses	₱975,906	₱150,524
Other charges	–	–
Loss before tax	975,906	150,524
Provision for income tax	–	–
Net loss	975,906	150,524
Attributable to:		
Equity holders of the Parent Company	507,471	78,272
Non-controlling interests	468,435	72,252

Statements of financial position as at December 31, 2025 and 2024:

	2025	2024
Current assets	₱58,735,550	₱58,735,550
Noncurrent assets	–	–
Current liabilities	(2,674,206)	(1,698,300)
Noncurrent liabilities	(1,012,495)	–
Total equity	55,048,849	57,037,250
Attributable to:		
Equity holders of the Parent Company	28,625,401	29,659,370
Non-controlling interests	26,423,448	27,377,880

20. Basic/Diluted Earnings Per Share

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

Estimation of earnings per share for the years ended December 31, 2025, 2024 and 2023 when there were no potentially dilutive common shares during the respective periods are as follows:

	2025	2024	2023
Net income attributable to the equity holders of the Parent Company	₱7,664,499,069	₱4,325,133,410	₱3,408,994,699
Weighted average number of common shares for basic and diluted earnings per share	5,672,755,043	5,672,755,043	5,672,755,043
Basic and diluted earnings per share	₱1.35	₱0.76	₱0.60



21. Cost of Production

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

	2025	2024	2023
Materials and supplies (Note 6)	₱3,736,409,843	₱2,976,134,090	₱2,355,707,391
Depreciation, depletion and amortization (Note 24)	1,690,167,759	1,423,508,248	1,291,801,763
Personnel costs (Note 25)	1,386,527,871	1,105,713,070	938,001,571
Utilities	868,639,062	617,554,869	509,534,745
Contracted services	721,935,263	629,013,457	470,526,778
Taxes, permits, and licenses	220,564,395	184,925,370	160,770,465
Surface rights to indigenous people (IP) (Note 30)	178,013,022	134,436,609	104,868,172
Community development expenses	168,297,430	166,169,593	115,486,916
Royalties to IP (Note 30)	103,231,720	63,088,308	48,332,964
Bullion refining and transportation charges	98,198,761	94,631,487	94,615,041
Repairs and maintenance	74,669,411	57,472,207	112,764,749
Data and communication	53,486,315	36,066,895	26,175,620
Transportation and accommodation	46,143,006	12,432,811	10,224,256
Insurance	39,092,524	57,159,915	50,123,097
Professional fees	38,893,789	12,663,553	17,283,971
Rent (Note 30)	24,880,593	4,563,596	20,909,338
Employee activities	16,873,218	13,217,993	12,621,621
Representation and entertainment	9,193,541	6,294,276	1,359,998
Donations and contributions	8,089,513	4,614,695	7,806,024
	₱9,483,307,036	₱7,599,661,042	₱6,348,914,480

The amounts were distributed as follows:

	2025	2024	2023
Mining	₱3,501,335,557	₱2,717,992,194	₱2,801,995,377
Milling	1,382,519,833	1,263,124,139	920,982,854
Compliance	1,118,301,155	844,498,144	534,036,195
Mine overhead	3,481,150,491	2,774,046,565	2,091,900,054
	₱9,483,307,036	₱7,599,661,042	₱6,348,914,480

22. General and Administrative Expenses

	2025	2024	2023
Personnel costs (Note 25)	₱110,664,502	₱121,978,286	₱69,023,510
Professional fees	82,737,691	65,936,176	49,580,411
Insurance	36,854,361	4,072,324	1,007,691
Contracted services	32,383,886	36,597,618	20,837,880
Taxes, licenses and permits	30,009,352	128,203,824	23,743,186
Employee activities	18,293,715	34,511,608	35,236,470
Depreciation and amortization (Note 24)	15,793,129	13,698,474	13,621,659
Transportation and accommodation	12,874,184	1,120,895	2,795,644
Rent (Note 30)	8,960,501	8,145,208	5,609,351
Materials and supplies (Note 6)	7,900,133	26,555,853	5,669,853
Representation and entertainment	5,026,168	2,862,821	2,894,060
Utilities	4,521,861	3,934,902	4,699,616
Repairs and maintenance	1,172,626	4,847,784	6,560,829
Others	10,827,105	18,873,549	12,528,096
	₱378,019,214	₱471,339,322	₱253,808,256



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

23. Other Income (Charges) - net

	2025	2024	2023
Provision for impairment losses on:			
Input VAT (Note 13)	(P284,943,640)	(P112,131,442)	(P153,188,407)
Deferred exploration costs (Note 11)	(10,484,118)	(2,891,262)	(30,307,458)
Advances to GMU (Note 13)	–	(112,124,250)	–
Nontrade receivables	–	–	(75,517,940)
Payment for tax assessments	(283,585,414)	–	(171,414,746)
Foreign exchange losses - net	(13,573,719)	(216,893,639)	(53,203,872)
Interest income (Note 4)	1,948,828	11,333,687	14,612,809
Revaluation loss on property, plant and equipment (Note10)	(422,999)	–	–
Gain on sale of property and equipment	17,500	–	–
Gain on sale of mining rights	–	–	120,084,817
Miscellaneous - net	(11,293,992)	377,069	(2,522,972)
	(P602,337,554)	(P432,329,837)	(P351,457,769)

24. Depreciation, Depletion and Amortization

	2025	2024	2023
Property, plant and equipment (Note 10)	P1,703,216,819	P1,419,798,843	P1,295,670,527
Intangible asset (Note 12)	2,744,069	17,407,879	9,752,895
	P1,705,960,888	P1,437,206,722	P1,305,423,422

The amounts were distributed as follows:

	2025	2024	2023
Cost of production (Note 21)	P1,690,167,759	P1,423,508,248	P1,291,801,763
General and administrative expenses (Note 22)	15,793,129	13,698,474	13,621,659
	P1,705,960,888	P1,437,206,722	P1,305,423,422

The Group capitalized depreciation, depletion, and amortization costs amounting to P113.91 million and P78.02 million as part of mine development costs in 2025 and 2024, respectively (see Note 10).

25. Personnel Costs

	2025	2024	2024
Salaries and wages	P817,206,978	P712,003,552	P601,437,570
Other employee benefits	625,924,348	466,471,504	333,294,377
Retirement benefits cost (Note 16)	54,061,047	49,216,300	72,293,134
	P1,497,192,373	P1,227,691,356	P1,007,025,081



The amounts were distributed as follows:

	2025	2024	2023
Cost of production (Note 21)	₱1,386,527,871	₱1,105,713,070	₱938,001,571
General and administrative expenses (Note 22)	110,664,502	121,978,286	69,023,510
	₱1,497,192,373	₱1,227,691,356	₱1,007,025,081

26. Finance Costs

	2025	2024	2023
Interest on loans payable (Note 18)	₱456,375,738	₱393,659,884	₱345,613,442
Accretion of interest on financial liability (Note 1)	126,399,792	178,972,402	191,342,327
Net interest cost on retirement benefits (Note 16)	26,321,364	21,458,660	21,622,265
Accretion of provision for mine rehabilitation and decommissioning (Note 17)	986,651	721,709	687,450
	₱610,083,545	₱594,812,655	₱559,265,484

27. Income Tax

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. On the other hand, ISRI, MORE and AAMRC used itemized deduction.

The Group's provision for (benefit from) income tax in 2025, 2024 and 2023 are presented below. Provision for current income tax in 2025, 2024 and 2023 pertain to RCIT and MCIT for each year.

	2025	2024	2023
Current	₱1,768,761,713	₱1,182,258,329	₱766,341,085
Deferred	13,660,002	(65,665,279)	(56,044,407)
	₱1,782,421,715	₱1,116,593,050	₱710,296,678

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

	2025	2024	2023
Provision for income tax computed at statutory income tax rate of 25%	(₱2,361,615,897)	(₱1,360,312,894)	(₱1,020,757,791)
Changes in unrecognized deferred income tax assets	(87,644,279)	(101,815,655)	(85,830,872)
Add (deduct) tax effects of:			
Optional standard deduction	1,016,449,911	661,823,616	515,756,174
Nondeductible expenses	(353,985,257)	(318,537,701)	(82,508,891)

(Forward)



	2025	2024	2023
Nontaxable income	₱3,833,296	₱–	₱–
Interest income subjected to final tax	456,893	2,224,664	3,053,203
Expired MCIT	83,618	24,920	(37,955)
Provision for tax losses	–	–	(39,970,546)
	(₱1,782,421,715)	(₱1,116,593,050)	(₱710,296,678)

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

	2025	2024
Unrealized foreign exchange losses	₱219,734,065	₱159,302,112
Provision for retirement benefits of a subsidiary	50,190,195	39,598,865
Allowance for impairment losses on:		
Input VAT	693,362,170	408,418,530
Deferred exploration costs	622,390,478	611,906,360
Property, plant and equipment	504,561,915	504,138,916
Intangibles	192,202,964	192,202,964
Inventory losses and obsolescence	153,872,572	149,105,402
Advances to GMU	112,124,250	112,124,250
Advances for land acquisition	93,530,149	93,530,149
Nontrade receivable	75,517,940	75,517,940
Receivables	21,989,828	21,989,828
NOLCO	166,091,802	184,668,779
Provision for mine rehabilitation and decommissioning cost of a subsidiary	3,474,255	5,626,901
MCIT	84,000	167,618
	₱2,909,126,583	₱2,558,298,614

The Group has recognized deferred income tax liabilities and assets as at December 31, 2025 and 2024 on the following:

	2025	2024
<i>Recognized in profit and loss:</i>		
Provision for retirement benefits	₱123,856,779	₱108,053,987
Fair value increment on deferred exploration cost and mine and mining properties	(42,132,674)	(46,520,370)
Unrealized foreign exchange loss - net	17,024,853	51,064,760
Provision for mine rehabilitation and decommissioning cost	3,990,408	3,800,991
	102,739,366	116,399,368
<i>Recognized in other comprehensive income:</i>		
Revaluation surplus on property, plant and equipment	(460,551,814)	(55,366,629)
Remeasurement gain on pension liability	(4,561,006)	(9,156,905)
	(465,112,820)	(64,523,534)
Net deferred tax assets (liabilities)	(₱362,373,454)	₱51,875,834

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



As at December 31, 2025, the Group's NOLCO that can be claimed as deduction from future taxable income are as follows:

Year incurred	Year of expiration	NOLCO
2021	2026	₱35,373,923
2023	2026	35,354,244
2024	2027	38,595,835
2025	2028	56,767,800
		₱166,091,802

The movements of NOLCO are as follows:

	2025	2024
Balance at beginning of the year	₱184,668,779	₱146,072,944
Additions	56,767,800	38,595,835
Expiration	(75,344,777)	–
Balance at end of the year	₱166,091,802	₱184,668,779

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

Year incurred	Year of expiration	MCIT
2023	2026	₱36,000
2024	2027	48,000
		₱84,000

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

	2025	2024
Balance at beginning of the year	₱167,618	₱144,538
Additions	–	48,000
Expirations	(83,618)	(24,920)
Balance at end of the year	₱84,000	₱167,618

The movements of the Group's NOLCO per subsidiary in 2025 are as follows:

	Parent & ISRI	MORE	CRPI	BMRC	AAMRC	ICSI	Total
Balances at beginning of year	₱–	₱74,543,967	₱100,009,664	₱9,213,377	₱–	₱901,771	₱184,668,779
Additions	–	20,411,548	25,820,317	3,557,885	6,863,369	114,681	56,767,800
Expirations	–	(30,643,157)	(41,483,974)	(3,131,146)	–	(86,500)	(75,344,777)
Balances at end of year	₱–	₱64,312,358	₱84,346,007	₱9,640,116	₱6,863,369	₱929,952	₱166,091,802

The movements of the Group's MCIT per subsidiary in 2025 are as follows:

	Parent & ISRI	MORE	CRPI	BMRC	AAMRC	ICSI	Total
Balances at beginning of year	₱–	₱167,618	₱–	₱–	₱–	₱–	₱167,618
Expirations	–	(83,618)	–	–	–	–	(83,618)
Balances at end of year	₱–	₱84,000	₱–	₱–	₱–	₱–	₱84,000



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 FTAAAs. 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 \leq 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 Group 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.



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

Financial Risk Management Objectives and Policies

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

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

Credit Risk

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

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

The maximum exposure to credit risk of the Group's financial assets (cash with banks and short-term deposits, trade and other receivables, advances to related parties, advance to GMU, nontrade receivable, MRF, and financial asset measured at FVOCI) is equal to the carrying amounts of the financial assets, as at December 31, 2025 and 2024.

The following tables show the credit quality of the Group's financial assets based on their historical experience with the corresponding debtors.

Credit risk under general and simplified approach

	2025				Total
	General Approach			Simplified Approach	
	Stage 1	Stage 2	Stage 3		
Cash with banks and short-term deposits	₱3,328,473,159	₱-	₱-	₱-	₱3,328,473,159
Receivables:					
Trade	2,324,596,229	-	-	-	2,324,596,229
Others	31,661,387	-	21,989,828	-	53,651,215
Advances to related parties	69,563,414	-	-	-	69,563,414
Other noncurrent assets:					
Advance to GMU	-	-	112,129,250	-	112,129,250
Nontrade receivable	-	-	75,517,940	-	75,517,940
MRF	-	76,001,626	-	-	76,001,626
Financial asset measured at FVOCI	6,500,000	-	344,640,000	-	351,140,000
	₱5,760,794,189	₱76,001,626	₱554,277,018	₱-	₱6,391,072,833



	2024				Total
	General Approach			Simplified Approach	
	Stage 1	Stage 2	Stage 3		
Cash with banks and short-term deposits	₱3,198,005,317	₱–	₱–	₱–	₱3,198,005,317
Receivables:					
Trade	1,229,808,874	–	–	–	1,229,808,874
Others	28,502,862	–	21,989,828	–	50,492,690
Advances to related parties	2,304,109	–	–	–	2,304,109
Other noncurrent assets:					
Advance to GMU	–	–	112,129,250	–	112,129,250
Nontrade receivable	–	–	75,517,940	–	75,517,940
MRF	–	28,298,187	–	–	28,298,187
Financial asset measured at FVOCI	7,000,000	–	344,640,000	–	351,640,000
	₱4,465,621,162	₱28,298,187	₱554,277,018	₱–	₱5,048,196,367

Liquidity Risk

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

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

The following tables summarize the maturity profile of the Group's financial liabilities based on contractual undiscounted payments and financial assets used to manage liquidity risk as at December 31, 2025 and 2024.

2025	On demand	Less than three (3) months	Three (3) to 12 months	More than 12 months	Total
Trade and other payables					
Trade	₱1,082,537,290	₱–	₱–	₱–	₱1,082,537,290
Nontrade*	297,075,733	–	–	–	297,075,733
Accrued expenses	263,574,790	–	–	–	263,574,790
Retention fees	58,200,439	–	–	–	58,200,439
Payables to employees	113,328,125	–	–	–	113,328,125
Dividends payable	75,969,064	–	–	–	75,969,064
Advances from stockholder	64,354,202	–	–	–	64,354,202
Others	75,696,749	–	–	–	75,696,749
Financial liability**	–	1,117,010,000	–	1,117,010,000	2,234,020,000
Loans payable	–	–	2,846,171,688	3,655,032,960	6,501,204,648
Future loan interest payments	–	15,958,492	39,255,244	18,489,829	73,703,565
	₱2,030,736,392	₱1,132,968,492	₱2,885,426,932	₱4,790,532,789	₱10,839,664,605

*Nontrade payables exclude royalties payable and surface rights payable amounting to ₱37.69 million as at December 31, 2025.

**Gross contractual payments



2025	On demand	Less than three (3) months	Three (3) to 12 months	More than 12 months	Total
Cash and cash equivalents	₱3,323,891,614	₱8,739,010	₱–	₱–	₱3,332,630,624
Receivables:					
Trade	2,324,596,229	–	–	–	2,324,596,229
Others	31,661,387	–	–	21,989,828	53,651,215
Advances to related parties	69,563,414	–	–	–	69,563,414
Other noncurrent assets:					
Advance to GMU	–	–	–	112,129,250	112,129,250
Nontrade receivable	–	–	–	75,517,940	75,517,940
MRF	–	–	–	76,001,626	76,001,626
Financial asset measured at FVOCI	6,500,000	–	–	344,640,000	351,140,000
	₱5,756,212,644	₱8,739,010	₱–	₱630,278,644	₱6,395,230,298

2024	On demand	Less than three (3) months	Three (3) to 12 months	More than 12 months	Total
Trade and other payables					
Trade	₱1,139,592,665	₱–	₱–	₱–	₱1,139,592,665
Nontrade*	297,075,733	–	–	–	297,075,733
Accrued expenses	188,960,079	–	–	–	188,960,079
Retention fees	13,279,920	–	–	–	13,279,920
Payables to employees	110,371,387	–	–	–	110,371,387
Dividends payable	59,437,064	–	–	–	59,437,064
Advances from stockholder	64,354,202	–	–	–	64,354,202
Others	24,387,586	–	–	–	24,387,586
Advances from related parties	374,858,016	–	–	–	374,858,016
Financial liability**	–	1,103,805,000	–	2,234,020,000	3,337,825,000
Loans payable	–	–	2,618,354,384	4,610,970,065	7,229,324,449
Future loan interest payments	–	48,769,407	119,662,822	70,403,170	238,835,399
	₱2,272,316,652	₱1,152,574,407	₱2,738,017,206	₱6,915,393,235	₱13,078,301,500

*Nontrade payables exclude royalties payable and surface rights payable amounting to ₱26.83 million as at December 31, 2024.

**Gross contractual payments

2024	On demand	Less than three (3) months	Three (3) to 12 months	More than 12 months	Total
Cash and cash equivalents	₱3,192,546,087	₱8,612,240	₱–	₱–	₱3,201,158,327
Receivables:					
Trade	1,229,808,874	–	–	–	1,229,808,874
Others	28,502,862	–	–	21,989,828	50,492,690
Advances to related parties	2,304,109	–	–	–	2,304,109
Other noncurrent assets:					
Advance to GMU	–	–	–	112,129,250	112,129,250
Nontrade receivable	–	–	–	75,517,940	75,517,940
MRF	–	–	–	28,298,187	28,298,187
Financial asset measured at FVOCI	7,000,000	–	–	344,640,000	351,640,000
	₱4,460,161,932	₱8,612,240	₱–	₱582,575,205	₱5,051,349,377

Foreign Currency Risk

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

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



The Group foreign currency-denominated financial instruments as at December 31, 2025 and 2024 are as follows:

	2025		2024	
	US\$	Php	US\$	Php
Financial Assets:				
Cash and cash equivalents	\$23,492,044	₱1,381,097,267	\$36,936,172	₱2,136,757,550
Trade receivables	38,789,879	2,280,456,986	20,845,261	1,205,898,349
	62,281,923	3,661,554,253	57,781,433	3,342,655,899
Financial Liabilities:				
Trade payables	3,043,755	178,942,333	3,395,324	196,419,493
Loans payable	53,557,815	3,148,663,930	77,940,400	4,508,852,140
Financial liability	77,940,400	4,582,116,116	53,557,815	3,098,057,796
	134,541,970	7,909,722,379	134,893,539	7,803,329,429
Net financial liabilities	(\$72,260,047)	(₱4,248,168,126)	(\$77,112,106)	(₱4,460,673,530)

As at December 31, 2025 and 2024, the exchange rate based on the Bankers Association of the Philippines peso to US\$1.00 was ₱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 Group's income before income tax (due to changes in fair value of monetary assets and liabilities) as at December 31, 2025 and 2024 are as follows:

		Change in foreign exchange rates	Effect in income before tax
US\$	2025	₱1.07 (0.73)	(₱77,137,600) 52,930,484
	2024	₱0.68 (0.79)	(₱52,698,034) 60,656,762

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

Commodity Price Risk

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

Assuming all other variables remain constant, the impact of the change in gold prices, relative to the consolidated financial statements, in 2025 and 2024 is as follows:

	Change in gold metal price	Effect on income before tax
2025	Increase by 101%	₱20,636,781,508
	Decrease by 101%	(20,636,781,508)
2024	Increase by 14%	₱2,039,303,676
	Decrease by 14%	(2,039,303,676)



Capital Management

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new shares. No changes were made in the objectives, policies or processes during the years ended December 31, 2025 and 2024.

The Group considers the following as its core economic capital:

	2025	2024
Issued capital stock	₱6,227,887,491	₱6,227,887,491
APIC	634,224	634,224
Treasury shares	(2,081,746,680)	(2,081,746,680)
	₱4,146,775,035	₱4,146,775,035

The Group has no externally imposed capital requirements.

29. Fair Value Measurements

Financial Assets at FVOCI

The quoted equity instruments designated as financial assets at FVOCI as at December 31, 2025 and 2024 are classified under Level 1 of the fair value hierarchy since these are based on quoted market prices. Unquoted equity instruments are classified under Level 3 of the fair value hierarchy since these are based on significant unobservable inputs.

Property, Plant, and Equipment

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

	Date of Valuation	Total	Fair Value Measurement		
			Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>Financial asset measured at FVOCI</i>	2025	₱6,500,000	₱6,500,000	₱-	₱-
(Note 9)	2024	₱7,000,000	₱7,000,000	₱-	₱-
<i>Property, plant, and equipment</i>	2025	19,430,569,521	7,594,977,699	-	11,835,591,822
(Note 10)	2024	15,119,602,080	-	-	15,119,602,080

Cash and Cash Equivalents, Trade and Other Receivables, Advances to Related Parties, Trade and Other Payables, Accrued Liabilities, Payable to Employees, Retention Fees, Nontrade Receivable

The carrying amounts of these financial instruments approximate their fair value due to the short-term nature and maturity.



MRF, Advance to GMU, Loans Payable, Financial Liability

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

30. Significant Agreements, Provisions and Contingencies

Parent Company

a. 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 21). 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 21). Surface rights payable presented under nontrade in trade and other payables amounted to ₱11.40 million and ₱6.07 million as at December 31, 2025 and 2024, respectively.

b. Operating Lease Agreement

The Parent Company entered into several lease agreements covering various machinery and equipment used in the mining operations. Total rent expense recognized on these lease agreements amounted to ₱33.84 million, ₱12.71 million and ₱26.58 million in 2025, 2024 and 2023, respectively (see Notes 21 and 22).

c. Refining and Transportation Agreement with Heraeus

On April 1, 2023, the Parent Company and ISRI 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 and ISRI 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 and ISRI to Heraeus upon settlement otherwise the title shall remain with the Parent Company and ISRI. The Parent Company and ISRI may elect to sell the refined gold and silver to Heraeus, and the price for all sales shall be based on quoted metal prices in London Bullion Market Association.



MORE

d. Heads of Agreement with Forum

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

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

31. Operating Segments

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

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

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

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

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

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



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

2025					
	Mining	Oil and gas	Solid waste management	Eliminations	Total
Revenue					
External customer	₱21,337,554,700	₱-	₱-	₱-	₱21,337,554,700
Inter-segment	-	-	-	-	-
Consolidated revenue	₱21,337,554,700	₱-	₱-	₱-	₱21,337,554,700
EBITDA	₱12,211,726,327	(₱76,145,289)	(₱975,906)	(₱90,460,524)	₱12,044,144,608
Finance cost	610,083,545	-	-	-	610,083,545
Interest income	(1,901,983)	(46,845)	-	-	(1,948,828)
Income tax expense	1,780,508,976	1,912,739	-	-	1,782,421,715
Depreciation, depletion and amortization	1,705,932,088	28,800	-	-	1,705,960,888
Nonrecurring items	283,585,414	-	-	-	283,585,414
Consolidated net income (loss)	₱7,833,518,287	(₱78,039,983)	(₱975,906)	(₱90,460,524)	₱7,664,041,874
Consolidated total assets	₱48,255,922,608	₱8,579,644,058	₱58,735,550	(₱18,070,738,931)	₱38,823,563,285
Consolidated total liabilities	₱17,631,663,753	₱381,195,444	₱3,686,701	(₱5,723,521,721)	₱12,293,024,177
2024					
	Mining	Oil and gas	Solid waste management	Eliminations	Total
Revenue					
External customer	₱15,142,201,879	₱-	₱-	₱-	₱15,142,201,879
Inter-segment	-	-	-	-	-
Consolidated revenue	₱15,142,201,879	₱-	₱-	₱-	₱15,142,201,879
EBITDA	₱7,481,281,857	(₱80,895,470)	(₱150,524)	₱61,701,404	₱7,461,937,267
Finance cost	594,812,655	-	-	-	594,812,655
Interest income	(11,285,687)	(48,000)	-	-	(11,333,687)
Income tax expense	1,115,271,735	1,321,315	-	-	1,116,593,050
Depreciation, depletion and amortization	1,436,977,622	229,100	-	-	1,437,206,722
Nonrecurring items	-	-	-	-	-
Consolidated net income	₱4,345,505,532	(₱82,397,885)	(₱150,524)	₱61,701,404	₱4,324,658,527
Consolidated total assets	₱41,104,257,549	₱3,547,356,251	₱58,735,550	(₱12,618,686,880)	₱32,091,662,470
Consolidated total liabilities	₱7,526,817,369	₱359,586,791	₱2,710,795	₱5,723,521,721	₱13,612,636,676
2023					
	Mining	Oil and gas	Solid waste management	Eliminations	Total
Revenue					
External customer	₱12,075,094,595	₱-	₱-	₱-	₱12,075,094,595
Inter-segment	-	-	-	-	-
Consolidated revenue	₱12,075,094,595	₱-	₱-	₱-	₱12,075,094,595
EBITDA	₱6,001,230,350	(₱4,826,564)	(₱75,746,235)	₱63,779,639	₱5,984,437,190
Finance cost	559,265,484	-	-	-	559,265,484
Interest income	(12,182,160)	(2,430,649)	-	-	(14,612,809)
Income tax expense	709,660,808	635,870	-	-	710,296,678
Depreciation, depletion and amortization	1,305,067,708	355,714	-	-	1,305,423,422
Nonrecurring items	51,329,929	-	-	-	51,329,929
Consolidated net income (loss)	₱3,388,088,581	(₱3,387,499)	(₱75,746,235)	₱63,779,639	₱3,372,734,486
Consolidated total assets	₱23,639,617,069	₱3,368,159,394	₱58,735,550	₱-	₱27,066,512,013
Consolidated total liabilities	₱12,388,258,963	₱69,525,108	₱2,560,271	₱-	₱12,460,344,342



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:

For the year ended December 31, 2025					
	Mining	Oil and gas	Solid waste management	Eliminations	Total
(a) Revenue	₱21,337,554,700	₱–	₱–	₱–	₱21,337,554,700
(b) Cost and expenses	(7,793,139,277)	–	–	–	(7,793,139,277)
(c) Excise tax	(817,343,762)	–	–	–	(817,343,762)
(d) General and administrative expenses	(305,719,503)	(55,530,676)	(975,906)	–	(362,226,085)
(e) Other charges	(209,625,831)	(20,614,613)	–	(90,460,524)	(320,700,968)
EBITDA	₱12,211,726,327	(₱76,145,289)	(₱975,906)	(₱90,460,524)	₱12,044,144,608

For the year ended December 31, 2024					
	Mining	Oil and gas	Solid waste management	Eliminations	Total
(a) Revenue	₱15,142,201,879	₱–	₱–	₱–	₱15,142,201,879
(b) Cost and expenses	(6,176,152,794)	–	–	–	(6,176,152,794)
(c) Excise tax	(602,807,446)	–	–	–	(602,807,446)
(d) General and administrative expenses	(413,984,757)	(43,505,567)	(150,524)	–	(457,640,848)
(e) Other income (charges)	(467,975,025)	(37,389,903)	–	61,701,404	(443,663,524)
EBITDA	₱7,481,281,857	(₱80,895,470)	(₱150,524)	₱61,701,404	₱7,461,937,267

For the year ended December 31, 2023					
	Mining	Oil and gas	Solid waste management	Eliminations	Total
(a) Revenue	₱12,075,094,595	₱–	₱–	₱–	₱12,075,094,595
(b) Cost and expenses	(5,057,112,717)	–	–	–	(5,057,112,717)
(c) Excise tax	(478,617,442)	–	–	–	(478,617,442)
(d) General and administrative expenses	(123,458,538)	(40,981,824)	(75,746,235)	–	(240,186,597)
(e) Other income (charges)	(414,675,548)	36,155,260	–	63,779,639	(314,740,649)
EBITDA	₱6,001,230,350	(₱4,826,564)	(₱75,746,235)	₱63,779,639	₱5,984,437,190

The total revenue from an external customer, attributable to the Philippines, which is the Group's country of domicile, amounted to ₱21.34 billion, ₱15.14 billion and ₱12.08 billion in 2025, 2024 and 2023, respectively arising from the sale of gold and silver bullion.

32. Supplemental Disclosure to Consolidated Statements of Cash Flows

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

	January 1, 2025	Availments	Payments	Reclassification	Others	December 31, 2025
Current Liabilities:						
Bank loans	₱2,618,354,384	₱–	(₱3,114,115,992)	₱3,341,933,296	₱–	₱2,846,171,688
Financial liability	925,572,825	–	(1,103,805,000)	1,174,366,351	–	996,134,176
Dividends payable	59,437,064	–	(816,506,263)	–	833,038,263	75,969,064
Advances from related parties	374,858,016	–	(374,858,016)	–	–	–
Noncurrent Liabilities:						
Bank loans	4,610,970,065	2,335,066,862	–	(3,341,933,296)	50,929,329	3,655,032,960
Financial liability	2,172,478,970	–	–	(1,174,366,351)	164,027,463	1,162,140,082
	₱10,761,671,324	₱2,335,066,862	(₱5,409,285,271)	₱–	₱1,047,995,055	₱8,735,447,970



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

- Foreign exchange loss on bank loans amounting to ₱50.93 million.
- Accretion of interest and foreign exchange loss on financial liability amounting to ₱126.40 million and ₱36.63 million, respectively.
- Dividend declaration amounting to ₱833.04 million.

	January 1, 2024	Availments	Payments	Reclassification	Others	December 31, 2024
Current Liabilities:						
Bank loans	₱4,083,966,092	₱-	(₱3,779,905,573)	₱2,314,293,865	₱-	₱2,618,354,384
Financial liability	836,661,303	-	(1,064,095,000)	1,153,006,522	-	925,572,825
Dividends payable	50,627,881	-	(453,140,197)	-	461,949,380	59,437,064
Advances from related parties	916,012,000	-	(541,153,984)	-	-	374,858,016
Noncurrent Liabilities:						
Bank loans	1,141,057,584	5,858,343,000	-	(2,314,293,865)	(74,136,654)	4,610,970,065
Financial liability	3,008,811,659	-	-	(1,153,006,522)	316,673,833	2,172,478,970
	₱10,037,136,519	₱5,858,343,000	(₱5,838,294,754)	₱-	₱704,486,559	₱10,761,671,324

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

- Foreign exchange gain on bank loans amounting to ₱74.14 million.
- Accretion of interest and foreign exchange loss on financial liability amounting to ₱178.97 million and ₱137.70 million, respectively.
- Dividend declaration amounting to ₱461.95 million.

	January 1, 2023	Availments	Payments	Reclassification	Others	December 31, 2023
Current Liabilities:						
Bank loans	₱4,370,197,906	₱-	(₱962,157,621)	₱675,925,807	₱-	₱4,083,966,092
Financial liability	-	-	-	836,661,303	-	836,661,303
Dividends payable	5,578,782	-	(264,986,303)	-	310,035,402	50,627,881
Advances from related parties	916,012,000	-	-	-	-	916,012,000
Noncurrent Liabilities:						
Bank loans	1,850,134,467	-	-	(675,925,807)	(33,151,076)	1,141,057,584
Financial liability	-	-	-	(836,661,303)	3,845,472,962	3,008,811,659
	₱7,141,923,155	₱-	(₱1,227,143,924)	₱-	₱4,122,357,288	₱10,037,136,519

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

- Foreign exchange loss on bank loans amounting to ₱33.15 million.
- Accretion of interest and initial recognition of financial liability amounting to ₱191.34 million and ₱3,654.13 million, respectively.
- Dividend declaration amounting to ₱310.04 million.

33. 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 are expected to be completed in three (3) to four (4) years.

34. Reclassification

The consolidated 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 related parties were transferred from operating activities to financing activities as follows:

	2024	2023
CASH FLOWS USED IN FINANCING ACTIVITIES		
Payments of advances from related parties	(₱541,153,984)	₱–

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





AWARDS AND RECOGNITIONS

Apex Mining Co., Inc.

National Winner, 2025 Outstanding Grievance Machinery for Industrial Peace
Department of Labor and Employment, National Conciliation and Mediation Board

Regional Winner, 2025 Outstanding Grievance Machinery for Industrial Peace
Regional Winner, 2025 Outstanding Labor Management Cooperation for Industrial Peace
Department of Labor and Employment, Regional Conciliation and Mediation Board

Safest Underground Operations, Safest Mines Award 2025
Mines Geosciences Bureau

2025

ing Co., Inc.

aterials – Philippines Bron



Finance Asia's Best Companies 2025
Best Managed Company – Basic Materials Bronze
Industry Category

Forbes Asia's Best Under a Billion 2025

Top 1 Business Taxpayer
Top 2 Real Property Taxpayer
Municipality of Maco Davao de Oro

Top 2 Exporter
Bureau of Customs, District XII, Port of Davao

Itogon-Suyoc Resources, Inc.
Top MSMEs (Large Enterprise)
Gong Awards in Business Achievement
Province of Benguet

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SANGILO GOLD MINE

Sangilo, Itogon, Benguet

SUYOC GOLD MINE

Mankayan, Benguet

PARACALE GOLD PROJECT

Jose Panganiban, Camarines Norte

ASIA-ALLIANCE MINING RESOURCES, CORP.

Mabini, Davao de Oro

STOCK TRANSFER AGENT

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BANKERS

Bank of Commerce
Philippine National Bank
Rizal Commercial Banking Corporation
Union Bank of the Philippines