

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended: **September 30, 2025**
2. Commission Identification Number: **40621**
3. BIR Tax Identification No.: **000-284-138**
4. Exact Name of Registrant as specified in its charter: **APEX MINING CO., INC.**
5. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**
6. Industry Classification Code: (SEC Use Only)
7. Address of registrant's principal office: **3304B West Tower, Tektite Towers**
Postal Code: **1605** **Exchange Road, Ortigas Center, Pasig City**
8. Telephone number, including area code: **Tel. # (02) 8706-2805 Fax # (02) 8706-2804**
9. Former name, former address and former fiscal year, if changed since last report. **N/A**
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sections 4 and 8 of the Revised Securities Act (RSA)

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding</u>
Common shares	6,227,887,491

11. Are any of the issuer's securities listed on a Stock Exchange? If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Yes No **Philippine Stock Exchange / Common shares**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder and Sections 25 and 177 of the Revised Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period that registrant was required to file such reports)

Yes No

(b) has been subject to such filing requirements for the past 90 days

Yes No

Part I – FINANCIAL INFORMATION

Item 1. Financial Statements

Please see attached Unaudited Interim Financial Statements as of September 30, 2025.

Item 2. Management Discussion and Analysis of Financial Position and Results of Operations for the Three Quarters and Third Quarter ended September 30, 2025 and 2024

Consolidated Statement of Income

Consolidated Net Income

The consolidated net income of Apex Mining Co., Inc. (the “Parent Company”) and Subsidiaries (collectively referred to as the “Group”) was 78% or ₱2.38 billion higher at ₱5.45 billion in the three quarters of 2025 compared to the ₱3.07 billion consolidated net income in the same period in 2024. The third quarter consolidated net income in 2025 and 2024 was ₱2.15 billion and ₱1.31 billion.

The Parent Company net income in the third quarter of 2025 and 2024 amounted to ₱1.99 billion and ₱1.26 billion, respectively, bringing the net income for the three quarters of 2025 and 2024 to ₱5.02 billion and ₱2.97 billion.

Consolidated Revenues

The consolidated gross revenues earned during the three quarters of 2025 amounted to ₱15.48 billion, higher by ₱4.64 billion or 43% compared to the ₱10.84 billion gross revenues earned during the three quarters of 2024. The three quarters consolidated revenues of the Group include Parent Company and Itoyon-Suyoc Resources, Inc.’s (“ISRI”) revenues from the sale of gold and silver.

Information on the Group’s sales volume and realized prices for both gold and silver in the three quarters and third quarter of 2025 and 2024 are as follows:

	Gold			Silver		
	2025	2024	%	2025	2024	%
Three quarters:						
Volume in ounces	78,751	78,105	+1	290,894	257,169	+13
Realized price/ounce, in USD	\$3,319	\$2,359	+41	\$36.48	\$27.72	+32
Third Quarter:						
Volume in ounces	27,316	25,112	+9	92,969	80,331	+16
Realized price/ounce, in USD	\$3,668	\$2,545	+44	\$43.2	\$29.50	+46

Includes ounces produced and sold from Maco and Sangilo mine sites

The weighted average United States Dollar (USD) to Philippine Peso (PHP) foreign exchange rates on the Group’s revenues in the three quarters of 2025 and 2024 were ₱56.94 and ₱56.65 to one USD, respectively, or the depreciation of the PHP by 1% against the USD.

An analysis of the consolidated revenue variance, which comprises of volume, price and exchange rate variances between the three quarters and third quarter ended September 30, 2025 and 2024 of the Group is as follows:

Variances	Between Three quarters of 2025 and 2024			Between Third quarter of 2025 and 2024		
	Gold	Silver	Total	Gold	Silver	Total
Volume (sold)	₱86,340,138	₱52,957,797	₱139,297,935	₱319,378,094	₱21,245,308	₱340,623,402
Price	4,282,150,635	144,324,246	4,426,474,881	1,747,686,168	72,631,525	1,820,317,693
Exchange rate	75,191,877	2,574,221	77,766,098	(78,011,302)	229,717	(77,781,585)
Consolidated revenue	₱4,443,682,650	₱199,856,264	₱4,643,538,914	₱1,989,052,960	₱94,106,550	₱2,083,159,510

Total ore tonnes milled in Maco mine during the three quarters of 2025 was 7% higher at 706,748 tonnes compared to the 657,975 tonnes in the same period in 2024. Gold recovery was higher at

87.83% compared to last period's 85.20% recovery rate. Ore gold grades averaged slightly lower, at 3.27 grams per tonne compared to the three quarters of 2024 at 3.58 grams of gold per tonne.

Itogon-Suyoc Resources, Inc. milled a total of 107,335 tonnes in the three quarters of 2025 compared to 110,303 tonnes in the same period last year.

Masara Landslide

On February 6, 2024, a landslide occurred in Zone 1, Bgy. Masara, Maco, Davao De Oro resulting to damages to property and casualties. Government and private sources reported that the landslide was caused by adverse weather conditions including sustained, abnormal rainfall in the months immediately before the said incident.

Apex went on limited operations and immediately deployed resources such as equipment, technical tools and personnel from safety, security, community relations, general services, geologists, heavy equipment machine operators to assist in the search, rescue, retrieval and relief operations. Assistance was given to the displaced families in the evacuation centers as well as to the families of the casualties in the form of food packs, financial aid and psycho-social interventions. The Company actively coordinates with the local and national government in relation to the mitigation measures and relocation assistance to the displaced community. Deployed resources used in the search, rescue, retrieval and relief operations have been returned to their posts and the mine and mill resumed operating at a normal capacity.

From the Mine Reserves and Resource Certifications of 2025, the Parent Company's Maco Mine has enough reserves and resources to continue at the targeted production rate of 3,000 tonnes per day until 2034. The existing crushing and grinding infrastructures in Maco processing plant is being modified to increase the existing capacity to 3,500 tpd, while exploration and development activities primarily aimed to increase the existing resources and reserves continues.

The acquisition of the Asia Alliance Mining Resources Corporation ("AAMRC") gives the mine future gold resources as the extensions of existing mining veins spill over to the adjacent tenement. Under the authority to verify minerals permit, AAMRC has completed its initial verification of the remaining resources of the previously operated Amacan copper pit. The results will be disclosed once the report is finalized. It has engaged the host and neighboring communities as part of obtaining their Free and Prior Informed Consent (FPIC), prior to the operation of the copper and gold mine.

ISRI Sangilo mine is currently working on the remaining pre-operation permits after it obtained the Certificate Precondition (a certificate of compliance to the FPIC process and certification that the community has given consent) for its APSA 103, a 434 hectares tenement located in Itogon, Benguet.

Consolidated Cost of Production

Consolidated cost of production incurred in the three quarters of 2025 increased by 14% to ₱6.73 billion from ₱5.89 billion in 2024 mainly due to higher tonnage processed resulting to increase in materials used, manhours spent and power consumed during the period. A breakdown of the main components of consolidated cost of production is as follows:

- Materials used in mining and milling during the three quarters of 2025 was higher by 26% or ₱543.72 million compared to 2024. Aside from processing higher consolidated tonnage at 814,083 tonnes during the three quarters of 2025 compared to 768,278 tonnes in 2024, higher materials consumption for the underground operations and increasing unit costs of materials and supplies used, mainly brought about by inflation, pushed the total operating costs higher.
- Depreciation, depletion and amortization expense was lower by 7% or ₱95.28 million in the three quarters of 2025 compared to 2024 despite of higher capital expenditures incurred in the past years for depreciable assets such as plant expansion, maintenance and infrastructure. Depreciation of mine equipment used in exploration and mine development is capitalized while some fully depreciated heavy equipment with regular preventive maintenance and repairs remains in service. The depletion cost related to mine development is significantly lower affected by the higher ore

reserves reported. As at December 31, 2024, 2023 and 2022, the Group spent ₱3.4 billion, ₱2.6 billion and ₱2.2 billion on property plant and equipment.

- Personnel cost and contracted services were higher by ₱138.18 million and ₱16.31 million, respectively, in the three quarters of 2025 and 2024, due to higher tonnage processed requiring higher manpower time, increase in salaries and benefits implemented during the period, as well as sourcing of non-core activities manpower requirements from a third-party contractor.
- Power cost increased by ₱100.66 million or 20% in 2025 compared to 2024 due to higher power consumption at 107.71 million kilowatt per hour versus 89.27 million kilowatt per hour in 2024.
- Indigenous People (IP) surface rights royalty & IP royalty and taxes, licenses and permits, as a group, accounted for a 19% or ₱59.02 million increase in 2025 compared to 2024 due to higher revenue and cost base being used in the computation of these costs. Social Development and Management Program (SDMP) is the major component of “other expenses” which is computed as 1.5% of the total operating cost of the preceding year.
- Higher refining and transportation cost of bullion produced is due to increase in volume of products shipped to Heraeus Ltd.

Consolidated Excise Taxes

Consolidated excise taxes of the Group amounted to ₱569.61 million in the three quarters of 2025 from ₱423.08 million in the same period in 2024 due to higher gold and silver ounces sold at a higher price.

Consolidated General and Administrative Expenses

Consolidated general and administrative (G&A) expense in the three quarters of 2025 and 2024 amounted to ₱303.94 million and ₱206.76 million, respectively due to documentary stamp tax paid on new bank loans availments, increase in head office expenses, increase in technical and non-technical support team, as well as higher administrative costs of projects currently handled by the subsidiaries.

Consolidated Finance Cost and Other Income/Charges

The consolidated finance cost and other income/charges of the Group amounted to ₱907.44 million and ₱408.41 million in the three quarters of 2025 and 2024, respectively. The increase is mainly due to impairment provision of some underground heavy equipment, settlement of prior years' assessments from the BIR and higher bank interest on loans resulting from higher outstanding loan amount during the period compared to 2024, net of loan payments of the Parent Company and ISRI for the maturing amortization of term loan with a local bank (Note 4).

Consolidated Provision for (Benefit from) Income Tax

The provision for income tax in the three quarters of 2025 is higher at ₱1.52 billion compared to ₱844.57 million in the same period in 2024 due to the higher taxable income reported.

Consolidated Statement of Financial Position

Consolidated Current Assets

Total consolidated current assets increased by ₱279.76 million to ₱7.42 billion as of September 30, 2025 mainly due to the following:

- Cash of the Group were lower by ₱1.50 billion to ₱1.70 billion from ₱3.20 billion as of December 31, 2024 despite of a significant net cash inflow from operating activities, the cash is reduced by expenditures for capital assets, mine development and explorations costs aggregating to ₱3.79 billion, settlements of maturing term loan amortization, and third tranche payment of \$19 million US Dollar to AAMRC sellers. Last shipment in September 2025 was only collected in October.

- Trade and other receivables increased by ₱1.06 billion to ₱2.36 Billion as of September 30, 2025 compared to December 31, 2024 mainly due to the shipment sold near end of the three quarters of 2025 and the proceeds collected on October 2025.
- Inventories decreased by ₱106.94 million as of September 30, 2025 versus the comparative balance as of December 31, 2024 due to the timing of shipment of bullion produced.
- Other current assets increased by ₱827.41 million due to downpayments made to suppliers of heavy equipment and service contractors for significant capital expenditure projects such as the Tagbaros drain and ventilation tunnel which is expected to improve the water and ventilation condition of the existing mine areas and free up the flooded areas below the existing drain level.

Consolidated Noncurrent Assets

Total consolidated noncurrent assets increased by ₱2.45 billion to ₱27.40 billion as of September 30, 2025 from ₱24.96 billion as of December 31, 2024 due to acquisition of new equipment and continuous exploration and development activities, net of the depreciation of equipment and depletion of mine and mining properties.

Consolidated Current Liabilities

Consolidated current liabilities were higher by ₱73.96 million to ₱6.45 billion as of September 30, 2025 from ₱6.37 billion as of December 31, 2024. The increase is due to a higher purchase of local and imported goods and services near end of the period and higher third quarter income tax payable, and the conversion of short-term bank borrowings with Bank of Commerce into a long-term Omnibus Loan and Security Agreement last December 18, 2024.

Consolidated Noncurrent Liabilities

The Group's consolidated noncurrent liabilities decreased by ₱1.93 billion to ₱5.31 billion as of September 30, 2025 compared to December 31, 2024 due to the third tranche payment of financial liability from the acquisition of AARMC amounting to \$19 million, quarterly loan amortization payments and reclassification to current portion of a bank term loan.

Consolidated Equity

Consolidated equity increased by ₱4.59 billion contributed by the total comprehensive income registered in the nine months ended September 30, 2025 and reduced by the dividends declared during the period.

Key Performance and Financial Soundness Indicators

Operating Performance Indicators

Tonnage milled, ore grade and mill recovery determine metal production volume. The higher the tonnage, ore grade and mill recovery, the more metals are produced. Below are the mine and mill data in the production of the Maco mine of the Parent Company:

	Three quarters ended			Third quarter ended		
	September 30			September 30		
	2025	2024	Change	2025	2024	Change
Tonnes milled	706,748	657,975	+7	244,973	231,579	+6
Mill head grade (gpt):						
Gold	3.27	3.58	-9	3.29	3.63	-9
Silver	14.95	15.80	-5	15.43	16.09	-4
Metal recovery (%):						
Gold	87.83	85.20	+3	88.44	84.15	+5
Silver	79.61	73.12	+9	75.79	74.32	+2

Sangilo mines milled 107,335 tonnes during the three quarters of 2025 at a grade of 3.34 grams per tonne for gold. Gold recovery rate was 86.29%.

Financial Soundness Indicators

Management has identified the following financial ratios of the Group as significant in assessing the Group's performance:

A. Profitability Ratios

	Formula	Nine-Month Period Ended September 30	
		2025	2024
Gross profit margin	$\frac{\text{Gross profit}}{\text{Revenue}}$	56.51%	45.67%
Return on assets	$\frac{\text{Net income}}{\text{Total assets}}$	15.66%	10.59%
Return on equity	$\frac{\text{Net income}}{\text{Total equity}}$	23.63%	17.87%
Debt service coverage ratio (DSCR)	$\frac{\text{EBITDA}}{\text{Loan principal plus interest payments}}$	3.62: 1	1.87:1

The increase in the gross profit margin in the three quarters of 2025 compared to the same period in 2024 can be attributed to higher gold and silver sold ounces during the period at a higher price.

Return on assets and equity increased due to higher net income reported.

DCSR increased due to higher earnings before interest, taxes, depreciation and depletion caused by the higher revenue generated.

B. On Liquidity and Leverage

	Formula	September 30,	September 30,
		2025	2024
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.15: 1	0.62:1
Asset-to-equity	$\frac{\text{Total assets}}{\text{Total equity}}$	1.51: 1	1.69:1
Debt-to-equity	$\frac{\text{Total debts}}{\text{Total equity}}$	0.51: 1	0.69:1

The current ratio in the three quarters of 2025 is higher than in the same period in 2024 due to a lower current liabilities resulting from the conversion of loans from BOC from short-term to long-term on December 2024. Asset-to-equity ratio decreased this year compared to prior period due to a higher equity as an effect of the income earned despite the growth in the Group's assets. Debt-to-equity ratio decreased due to the increase in equity from net income and decreased in total debts due to loan amortization payments made by the Group during the period.

Material Event/s and Uncertainties

To the best of the Company's knowledge, there are:

- a. no known trends, events or uncertainties that would have any material impact on liquidity and revenue of the Company, except for climate change related risks such as landslides which may cause disruptions in the Maco operations;
- b. no known events which may trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation;
- c. no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period except for the corporate guarantee issued by the Company to secure a bank loan of ISRI, and shares of AAMRC as security for the Omnibus loan with local banks for the acquisition of AAMRC;
- d. no material commitments for capital expenditures, general purpose of such commitments, and expected sources of funds for such expenditures.
- e. no significant elements of the items of income and expenses in the financial performance of the Company other than those described in the Company's audited financial statements.
- f. no seasonal aspects of the Company's operations that have a material effect on the Company's financial statements. There is no one period materially significant, whether higher or lower, than the periods during the year.

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

	September 30, 2025 Unaudited	December 31, 2024 Audited
ASSETS		
Current Assets		
Cash and cash equivalents	₱1,698,843,079	₱ 3,201,158,327
Trade and other receivables	2,356,106,140	1,294,510,081
Inventories	1,445,541,458	1,552,478,881
Advances to related parties	2,304,109	2,304,109
Other current assets	1,912,756,745	1,085,344,672
Total Current Assets	7,415,551,531	7,135,796,070
Noncurrent Assets		
Property, plant and equipment	16,776,143,993	15,119,602,080
Deferred exploration costs	7,453,633,045	6,677,730,421
Financial assets measured at fair value through other comprehensive income (FVOCI)	7,000,000	7,000,000
Intangible assets	22,242,911	9,629,201
Deferred tax asset	51,875,834	51,875,834
Other noncurrent assets	3,091,762,398	3,090,028,864
Total Noncurrent Assets	27,402,658,181	24,955,866,400
TOTAL ASSETS	₱34,818,209,712	₱32,091,662,470
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	2,493,985,977	₱2,031,855,670
Financial liability – current	1,054,691,674	925,572,825
Advances from related parties	99,825,967	374,858,016
Loans payable - net of noncurrent portion (Note 4)	2,058,003,460	2,618,354,384
Income tax payable	740,624,464	422,528,686
Total Current Liabilities	6,447,131,542	6,373,169,581
Noncurrent Liabilities		
Financial liability – net of current portion	1,037,881,047	2,172,478,970
Loans payable - net of current portion (Note 4)	3,766,536,031	4,610,970,065
Provision for retirement benefits	481,204,812	435,187,194
Provision for mine rehabilitation and decommissioning	20,550,446	20,830,866
Deferred income tax liabilities	-	-
Total Noncurrent Liabilities	5,306,172,336	7,239,467,095
Total Liabilities	11,753,303,878	13,612,636,676
Equity Attributable to Equity Holders of the Parent Company		
Issued capital stock	6,227,887,491	6,227,887,491
Additional paid-in capital	634,224	634,224
Treasury shares	(2,081,746,680)	(2,081,746,680)
Revaluation surplus on property, plant and equipment	166,099,883	166,099,883
Remeasurement loss on financial asset at FVOCI	(340,842,240)	(340,842,240)
Remeasurement gain on retirement plan	29,040,911	29,040,911
Currency translation adjustment on foreign subsidiaries	(1,125,434)	(1,125,434)
Retained earnings	19,072,968,132	14,486,728,092
	23,072,916,287	18,486,676,247
Non-controlling Interests	(8,010,453)	(7,650,453)
Total Equity	23,064,905,834	18,479,025,794
TOTAL LIABILITIES AND EQUITY	₱34,818,209,712	₱32,091,662,470

See accompanying Notes to Consolidated Financial Statements.

APEX MINING CO., INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30

	Nine-Month Period Ended September 30		Three-Month Period Ended September 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
REVENUES				
Gold	₱14,879,704,638	₱10,436,021,988	₱5,752,705,096	₱3,763,652,137
Silver	604,165,048	404,308,784	230,796,731	136,690,181
	15,483,869,686	10,840,330,772	5,983,501,827	3,900,342,318
COST OF PRODUCTION (Note 8)	6,734,512,073	5,889,313,819	2,530,118,996	2,037,785,507
EXCISE TAXES	569,607,294	423,077,656	206,187,073	155,412,402
GENERAL AND ADMINISTRATIVE EXPENSES (Note 9)	303,939,644	206,756,583	79,981,307	69,795,454
FINANCE COST AND OTHER INCOME/CHARGES	907,438,218	408,406,109	431,155,067	30,508
INCOME BEFORE INCOME TAX	6,968,372,457	3,912,776,605	2,736,059,384	1,637,318,447
PROVISION FOR CURRENT INCOME TAX	1,517,563,402	844,573,024	583,635,979	328,302,325
NET INCOME (Note 10)	₱5,450,809,055	₱3,068,203,581	₱2,152,423,405	₱1,309,016,122
Net income (loss) attributable to:				
Equity holders of the Parent Company	₱5,451,169,055	₱3,068,563,581	₱2,152,543,405	₱1,309,136,122
Non-controlling interests	(360,000)	(360,000)	(120,000)	(120,000)
	₱5,450,809,055	₱3,068,203,581	₱2,152,423,405	₱1,309,016,122
BASIC AND DILUTED EARNINGS PER SHARE (Note 7)	₱0.961	₱0.541	₱0.379	₱0.231
NET INCOME	₱5,450,809,055	₱3,068,203,581	₱2,152,423,405	₱1,309,016,122
OTHER COMPREHENSIVE INCOME, NET OF TAX	-	-	-	-
TOTAL COMPREHENSIVE INCOME	₱5,450,809,055	₱3,068,203,581	₱2,152,423,405	₱1,309,016,122
Total comprehensive income (loss) attributable to:				
Equity holders of the Parent Company	₱5,451,169,055	₱3,068,563,581	₱2,152,543,405	₱1,309,136,122
Non-controlling interests	(360,000)	(360,000)	(120,000)	(120,000)
	₱5,450,809,055	₱3,068,203,581	₱2,152,423,405	₱1,309,016,122

See accompanying Notes to Consolidated Financial Statements.

APEX MINING CO., INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2025 AND 2024

	Attributable to Equity Holders of the Parent Company									
	Capital stock (Note 6)	Additional paid-in capital	Revaluation surplus	Treasury shares (Note 6)	Re- measurement loss on financial asset at FVOCI	Re- measurement gain on retirement plan	Currency translation adjustment on foreign subsidiaries	Retained earnings	NCI	Total
Balances at December 31, 2023	₱6,227,887,491	₱634,224	₱190,678,741	(2,081,746,680)	(₱340,842,240)	₱17,496,386	₱270,115	₱10,598,965,204	(₱7,175,570)	₱14,606,167,671
Net income	–	–	–	–	–	–	–	3,068,563,581	(360,000)	3,068,203,581
Dividends	–	–	–	–	–	–	–	(507,155,562)	–	(507,155,562)
Other comprehensive income	–	–	–	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	–	–	–	–	2,561,408,019	(360,000)	2,561,048,019
Balances at September 30, 2024	₱6,227,887,491	₱634,224	₱190,678,741	(2,081,746,680)	(₱340,842,240)	₱17,496,386	₱270,115	₱13,160,373,223	(₱7,535,570)	₱17,167,215,690
Balances at December 31, 2024	₱6,227,887,491	₱634,224	₱166,099,883	(2,081,746,680)	(₱340,842,240)	₱29,040,911	(₱1,125,434)	₱14,486,728,092	(₱7,650,453)	₱18,479,025,794
Net income	–	–	–	–	–	–	–	5,451,169,055	(360,000)	5,450,809,055
Dividends	–	–	–	–	–	–	–	(864,929,015)	–	(864,929,015)
Other comprehensive income	–	–	–	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	–	–	–	–	5,451,169,055	(360,000)	5,450,809,055
Balances at September 30, 2025	₱6,227,887,491	₱634,224	₱166,099,883	(2,081,746,680)	(₱340,842,240)	₱29,040,911	(₱1,125,434)	₱19,072,968,132	(₱8,010,453)	₱23,064,905,834

See accompanying Notes to Consolidated Financial Statements.

APEX MINING CO., INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30**

	2025 (Unaudited)	2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax for the period	₱6,968,372,457	₱3,912,776,605
Adjustments for:		
Depreciation, depletion, impairment and amortization	1,339,512,520	1,334,787,982
Movement in provision for retirement benefits	45,737,198	15,505,437
Operating income before working capital changes	8,353,622,175	5,263,070,024
Decrease (increase) in:		
Receivables	(1,061,596,059)	(226,975,734)
Inventories	106,937,423	(15,251,062)
Prepayments and other current assets	(827,412,073)	(361,828,908)
Increase in trade and other payables	(402,798,707)	(284,203,808)
Cash flows generated from operations	6,168,752,759	4,374,810,512
Income tax paid	(1,199,467,624)	(694,191,627)
Net cash flows from operating activities	4,969,285,135	3,680,618,885
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for property, plant and equipment, including mine development costs	(3,008,668,143)	(2,035,150,639)
Increase in deferred exploration costs and other noncurrent assets	(777,636,158)	(541,453,309)
Cash flows used in investing activities	(3,786,304,301)	(2,576,603,948)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net loan availment (payment)	(1,404,784,958)	(64,861,055)
Payment & amortization of financial liability	(1,005,479,075)	(1,064,095,000)
Net change in accounts with related parties	(275,032,049)	63,250,994
Net cash flows from (used in) financing activities	(2,685,296,082)	(1,065,705,061)
NET INCREASE (DECREASE) IN CASH	(1,502,315,248)	38,309,876
CASH AT BEGINNING OF PERIOD	3,201,158,327	1,342,059,132
CASH AT END OF PERIOD	₱1,698,843,079	₱1,380,369,008

See accompanying Notes to Consolidated Financial Statements.

APEX MINING CO., INC. AND SUBSIDIARIES

**AGING OF ACCOUNTS RECEIVABLE - UNAUDITED
AS OF THE PERIOD ENDED SEPTEMBER 30, 2025**

1) Aging of Accounts Receivable

Type of Accounts Receivable	Total	1 Month	2-3 Months	4-6 Months	7 Months to 1 Year	1-3 Years	3-5 Years	5 Years Above	Past due accounts & items in litigation
a) Trade Receivables	₱2,278,833,983	₱2,278,833,983	₱-	₱-	₱-	₱-	₱-	₱-	₱-
Less: Allow. For Doubtful Acct.	-	-	-	-	-	-	-	-	-
Net Trade Receivable	-	-	-	-	-	-	-	-	-
b) Non-Trade Receivables	77,272,157	77,272,157							
Net Receivables (a + b)	<u>₱2,356,106,140</u>								

2) Accounts Receivable Description

Type of Receivable	Nature/Description	Collection Period
a.) Trade Receivable	Metal account balance for settlement by refiner	7 to 15 days
b) Non-trade Receivable	Downpayment to suppliers and contractors, advances for travel expenses of officers and employees, SSS claims for benefit of employees, and advances made by subsidiaries	Within normal operating cycle, except for loans made by subsidiaries which are on demand

3) Normal Operating Cycle: 3 months

APEX MINING CO., INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information, Business Development and Status of Operations

Corporate Information

The Parent Company was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 26, 1970, primarily to carry on the business of mining, milling, concentrating, converting, smelting, treating, preparing for market, manufacturing, buying, selling, exchanging and otherwise producing and dealing in gold, silver, copper, lead, zinc, brass, iron, steel, and all kinds of ores, metals and minerals. The Parent Company's shares are listed in the Philippine Stock Exchange (PSE) carrying the trading symbol "APX". It has three wholly-owned subsidiaries, Itogon-Suyoc Resources, Inc. (ISRI), Monte Oro Resources & Energy, Inc. (MORE) and Asia Alliance Mining Resources Corporation (AAMRC). Its ultimate parent, Prime Strategic Holdings, Inc. (PSHI), holds, directly and indirectly, 54.75% voting interest in Apex.

The Parent Company currently operates the Maco Mines in Maco, Davao De Oro. Its registered business and principal office address is 3304B West Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City, Philippines

Status of Operations

Significant developments in the Group operations are as follows:

A. Mining Properties

Maco Mine

On December 22, 2005, the Mines and Geosciences Bureau (MGB) approved the Company's application for a Mineral Production Sharing Agreement (MPSA) covering 679.02 hectares of land situated in Maco, Davao de Oro. On June 25, 2007, the MGB approved the Company's second application for a MPSA covering an additional 1,558.50 hectares of land near the area covered by the first mineral permit.

As at September 30, 2024, the Company holds valid and subsisting MPSA Nos. 225-2005-XI and 234-2007-XI, which have terms of 25 years from the effective date.

ISO Certification

The Company's Maco Mines has three certifications:

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

granted in March 2018 by Certification International. 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.

Itogon Mines

ISRI 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 operations on July 31, 2020. Suyoc Mine continues its resource validation and exploration activities.

ISO Certification

The Sangilo and Suyoc mines are ISO 14001:2015 certified for environmental management system granted by TUV Rheinland in April 2017. The scope of the certification for the Sangilo Mine is for exploration, mining and mine processing; while the Suyoc Mine is for mining exploration and project development.

Sangilo and Suyoc mines upgraded to Integrated Management System wherein three 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 and Safety Management System. These certifications were approved on May 30, 2023 and are valid until May 30, 2025. 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.

Paracale Gold Project

MORE wholly owns Paracale Gold Limited (PGL), an Isles of Man company, which wholly owns Coral Resources Philippines, Inc. (CRPI) and has a 40% interest in Bulawan Mineral Resources Corporation (BMRC). PGL has advances to, and an option to buy over the other 60% shareholdings, in BMRC.

The mine project of PGL is located in Jose Panganiban, Camarines Norte. BMRC handles all tenements while CRPI is the owner/operator of a mineral processing plant. BMRC holds 25 tenements in various stages of application. It is currently working on the processing and approval of pending applications, plus alternative options such as Special Mines Permits and ores from legal small scale mining operations.

In November 2024, two of these tenements – EP-006-2008-V and EP-007-2008-V – were granted the second renewal. Additional, four other tenements have been endorsed to the Mines and Geosciences Bureau (MGB) Central Office for final evaluation before their conversion into Exploration Permits.

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 exploration company. The project is currently under continued care and maintenance.

Sierra Leone Project

The Gori Hills project located in the Republic of Sierra Leone in West Africa is owned 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, MOMCL received a notice that its tenement license was revoked by the National Mineral Agency.

MORE has an interest in Gold Mines of Uganda Ltd. (GMU) in the form of advances made to this company which were subsequently converted into equity in GMU. GMU owns significant gold related assets and gold resources in Uganda. GMU and MORE has a Memorandum of Agreement (MA) whereby both parties agree to combine their mineral interest 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. The two licenses of the Uganda project were renewed last September 9, 2020 with a tenure of 3 years subject to a 4-year extension. The Fundraising activities of GMU was not successful and it has suspended operations.

Uganda Project

MORE has ownership interest in Gold Mines of Uganda Ltd. (GMU) when its advances to GMU were converted to equity in GMU. Pursuant to their Memorandum of Agreement to combine their

mineral interest in Africa and work towards creating a mining company what will be listed and marketed to international investors MORE folded its Sierra Leone project into GMU. But efforts of GMU to get new core investors were not successful, and GMU has suspended operations of its two projects in Uganda until a new investor is found.

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. (NPGPL) in which the Company has a 3.92% equity interest. The company has suspended operation following dispute with the government on license terms.

Asia-Alliance Mining Resources, Corp.

On February 10, 2023, the Parent Company acquired 1,900,000 shares, representing 100% ownership, of Asia-Alliance Mining Resources, Corp (AAMRC), a mining company which has interest, by virtue of a Joint Operating Agreement with Philippine Mining Development Corporation, over mining claims in Mabini, Maco and Maragusan, Davao De Oro.

Pursuant to the Authority to Verify Minerals, AAMRC has completed its initial verification of the remaining resources of the previously operated Amacan copper pit. The results will be disclosed once the report is finalized. It has engaged the host and neighboring communities as part of obtaining their Free and Prior Informed Consent (FPIC), prior to the operation of the copper and gold mine.

B. Oil and Gas

Service Contract (SC)

MORE has a 30% participating interest in Service Contract 72 (SC 72), a service contract for gas located in the West Philippine Sea covering the Sampaguita offshore gas field northwest of Palawan. Forum (GSEC 101) Ltd. (Forum) holds the remaining 70% participating interest and is the operator of the SC.

The Philippine government lifted its moratorium on oil and gas exploration in disputed areas of the West Philippine Sea in October 2020, allowing exploration activities to resume over the block. The consortium has 20 months or until June 2022 to drill two commitment wells under sub-phase 2. Failure to comply with the minimum work commitment for each sub-phase shall terminate the service contract. Any failure or delay in the performance of obligations and duties shall be excused to the extent attributable to force majeure. In 2021, the consortium started its preparations for the drilling of two commitment wells in the three quarters of 2022.

On April 6, 2022, 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 (SJPC) has issued the necessary clearance to proceed. Forum, as the operator, complied with this directive by suspending the drilling activities.

On April 8, 2022, Forum sent a letter to DOE, expressing its willingness to resume activities immediately, no later than April 11, 2022, but if written confirmation from DOE would not be received by April 10, 2022, the consortium will consider the suspension of work issued by the DOE to be indefinite and a force majeure event that will entitle the consortium to be excused from the performance of the 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. Total cancellation fees capitalized as deferred oil and gas exploration cost as a result of the force majeure declaration amounted to Php13.8 million.

On March 30, 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 twenty (20) months to drill the two (2) commitment wells.

C. Others

Solid Waste Management

MORE owns 52% of International Cleanenvironment Systems, Inc. (ICSI) which has a Build-Operate-Transfer contract with the Philippine government through the 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.

ICSI was a subject of an agreement to sell between MORE and A. Brown Co., Inc. (ABCI) whereby MORE shall sell its 52% ownership in ICSI to ABCI payable within 12 months and which was further extended to May 31, 2021. The agreement to sell did not materialize until expiration of agreement in 2021.

2. **Basis of Preparation, Statement of Compliance and Summary of Significant Accounting Policies**

Basis of Preparation

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

Statement of Compliance

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

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as at September 30, 2025 and 2024. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee
- rights arising from other contractual arrangements
- the Parent Company's voting rights and potential voting rights

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the NCI having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Parent Company's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Parent Company loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, NCI, and other components of equity while any resulting gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

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.

Determination of the Group's Functional Currency

Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency of the Group has been determined to be the Philippine peso. In making this judgment, the Group considered the following:

- a. The currency that mainly influences costs and expenses of the Group (this will often be the currency in which costs and expenses are denominated and settled); and
- b. The currency in which funds from financing activities are generated.

The Philippine peso is the currency of the primary economic environment in which the Group operates.

Determination of Control

The Parent Company determines control when it is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity.

The Parent Company controls an entity if and only if the Parent Company has all of the following:

- a. Power over the entity;
- b. Exposure, or rights, to variable returns from its involvement with the entity; and
- c. The ability to use its power over the entity to affect the amount of the Parent Company's returns.

As at September 30, 2025, the Parent Company assessed that it has control over MORE, ISRI and AAMRC and has accounted for the investments as investments in subsidiaries.

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 Company 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 also whether the arrangement is a joint operation or a joint venture, may materially impact the accounting treatment for each assessment.

The Group has assessed that SC 72 is accounted for as joint operations in the Group's financial statements.

Assessment Whether an Agreement is a Finance or Operating Lease

Management assesses at the inception of the lease whether an arrangement is a finance or operating lease based on who bears substantially all the risk and benefits incidental to the ownership of the leased item. Based on management's assessment, the risk and rewards of owning the items leased by the Group are retained by the lessor and therefore accounts for such lease as operating lease.

Operating Lease - Group as a Lessee

The Group has entered into several contracts of lease and has determined that the lessors retain all the significant risks and rewards of ownership of these properties due to the following:

- a. The ownership of the asset does not transfer at the end of the lease term;
- b. The Group has no option to purchase the asset at a price which is expected to be sufficiently lower than the fair value at the date when option becomes exercisable such that, at the inception of the lease, it is reasonably certain that the option will be exercised;
- c. The lease term is not for the major part of the economic life of the asset even if title is not transferred; and
- d. At the inception of the lease, the present value of the minimum lease payments does not amount to at least substantially all of the fair values of the leased assets.

Operating leases of the Group are related to leases of mining and milling equipment, transportation vehicles and others.

Assessment of the Production Start Date

The Group assesses the stage of each mine development project to determine when a mine moves into the production stage. The criteria used to assess the start date of a mine are determined based on the unique nature of each mine development project. The Group considers various relevant criteria to assess when the mine is substantially complete, ready for its intended use and moves into the production phase. Criteria include, but are not limited to the following:

- the level of capital expenditure compared to construction cost estimates;
- completion of a reasonable period of testing of the property, plant and equipment;
- ability to produce ore in saleable form; and
- ability to sustain ongoing production of ore.

When a mine development project moves into the production stage, the capitalization of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for capitalizable costs related to mining asset additions or improvements, mine development or mineable reserve development. It is also at this point that depreciation of assets to be used for operations and depletion of capitalized mine development costs and mine and mining properties commences.

Classification of Financial Instruments

The Group classifies financial instruments, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated statement of financial position.

Judgments

Determining Stage of Impairment

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis. Quantitative criteria may include downgrade in investment grade, defaulted assets, and counterparties with objective evidence of impairment.

A significant increase in credit risk is also presumed if a debtor is more than 90 days past due in making a contractual payment. Qualitative criteria may include significant adverse changes in business, financial or economic conditions in which the counterparty operates, actual or expected restructuring.

Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Group's investment grade criteria are considered to have a low credit risk. The provision for credit losses for these financial assets is based on a 12-month ECL.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

Significant Increase in Credit Risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, information obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default; ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group has determined that its credit risk on its financial instruments has not significantly increased since origination as of March 31, 2023.

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:

Valuation of Financial Instruments

The Group carries certain financial assets and financial liabilities (i.e., derivatives and AFS financial assets) at fair value, which requires the use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence (e.g., foreign exchange rates, interest rates, quoted equity prices), the amount of changes in fair value would differ if the Group utilized a different valuation methodology.

Any change in fair value of these financial assets and financial liabilities is recognized in the consolidated statements of income and in the consolidated statements of comprehensive income.

Valuation of Financial Asset at FVOCI

The Group carries its equity financial asset at FVOCI. Fair value measurement requires the use of accounting estimates and judgment. At initial recognition, the fair value of unquoted financial assets measured at FVOCI is based on the latest available transaction price. The amount of changes in fair value would differ if the Group utilized a different valuation methodology. Any change in fair value of its financial assets at FVOCI is recognized in the consolidated statements of comprehensive income.

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.

Assessment of the Realizability of Nonfinancial Prepayments and Other Current Assets

A review to determine the realizability of the asset is made by the Group on a continuing basis yearly. The assessment as to the realizability of the nonfinancial other current assets is based on how the Group can utilize these assets.

Assessment of the Recoverability of Deferred Exploration and Mine Development Costs

The application of the Group's accounting policy for deferred exploration and mine development 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 ore resource 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 and mine development 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.

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

The Group estimates the fair value, useful lives and residual values of property, plant and equipment based on the results of assessment of independent appraisers. Fair value and estimated useful lives of the property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical and

commercial obsolescence and other limits on the use of the assets.

In 2019, the Parent Company revalued its property, plant and equipment. There were changes in the estimate fair values, useful lives and residual values of property, plant and equipment. Useful lives of certain property, plant and equipment were estimated to be longer than the original estimated useful lives as indicated in the independent appraiser's report dated June 26, 2019.

In 2019, the change has been accounted for as a change in accounting estimate and resulted to a decrease in depreciation expense.

Estimation of Ore Reserves

Ore reserves are estimates of the amount of ore that can be economically extracted from the Group's depletable mine and mining properties and are key inputs to depletion and depreciation. The Group estimates its ore reserves based on information compiled by an external mining engineer relating to the geological data on the size, depth, and shape of the ore body, which requires complex geological and mine engineering judgments to interpret and serves as bases for estimation. The estimation of ore reserves is further based upon assumptions needed for economic evaluation, such as operating costs, taxes, royalty, production data, foreign exchange rates, and commodity pricing, along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the ore reserve estimates may affect the carrying values of the depletable mine and mining properties, and depletion and depreciation charges.

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.

Estimation of Impairment of Nonfinancial Assets, including Property, Plant and Equipment (except Mine Development Costs), Intangible Assets, and Other Noncurrent Assets

The Group evaluates whether property, plant and equipment (except mine development costs), intangible assets, and nonfinancial other 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.

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.

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.

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.

Assessment on Provisions and Contingencies

The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with in-house and outside counsel handling the Group's defense in these matters and is based upon an analysis of potential results. The Group currently assessed that these proceedings will not have a material adverse effect on its financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

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.

4. Loans Payable

	September 30, 2025	December 31, 2024
Philippine National Bank (PNB)	₱2,661,567,970	₱3,187,592,011
Bank of Commerce (BankCom)	1,651,708,100	1,966,730,000
Rizal Commercial Banking Corporation (RCBC)	1,200,000,000	1,500,000,000
Union Bank of the Philippines (UBP)	311,263,421	575,002,438
	5,824,539,491	7,229,324,449
Less current portion	2,058,003,460	2,618,354,384
Noncurrent portion	₱3,766,536,031	₱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 and increase of the Credit Facilities to ₱2.00 billion, renewable annually.

As at September 30, 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 by PNB various credit facilities such as Omnibus Line in the principal amount of ₱200.00 million and 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, renewable annually.

- 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. This loan was fully paid on maturity date in October 2024.

- 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.

As at September 30, 2025 and 2024, all loan covenants are complied with.

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

The ₱500.00 million term loan facility is repayable in equal quarterly installments over five (5) years, with interest based on the 5-year Bloomberg Valuation Service (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.

As at September 30, 2025 and 2024, all loan covenants are complied with.

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

1.2x and a consolidated Debt-to-Equity Ratio (DER) of 70:30. On December 20, 2024, the Parent Company drew the initial amount of \$34 million each from PNB and BOC.

As at September 30, 2025, all loan covenants are complied with.

BOC

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

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

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

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

RCBC

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

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

On August 24, 2025, the Parent Company was granted to rollover its unsecured promissory note for ₱600.0 million maturing on February 21, 2026, bearing an interest rate of 7.15% per annum.

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 note. The US\$4.4 million loan was paid upon maturity.

On May 26, 2025, the Parent Company was granted to rollover its unsecured promissory note for US\$5.54 million maturing on November 21, 2025 bearing an interest rate of 6.25%.

5. 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, subsidiaries and fellow subsidiaries, are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and 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 the legal form.

In the normal course of business, transactions with related parties consist mainly of rendering of professional services, rentals, unsecured non-interest bearing and short-term cash advances for working capital requirements of the Group, which are due and demandable.

6. Capital Stock

The Parent Company has authorized capital stock of ₱12.80 billion, divided into a single class of 12.8 billion common shares, with a par value of ₱1.00 per share as of September 30, 2025 and December 31, 2024. Details are shown in the table below.

	Shares	Amount
Issued and subscribed shares at beginning and end of period	6,227,887,491	₱6,227,887,491
Less: Treasury shares	555,133,447	2,081,746,680
Outstanding shares at end of period	5,672,754,044	₱4,146,140,811

7. Basic/Diluted Earnings Per Share

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

Estimation of earnings per share for the period ending September 30 when there were no potentially dilutive common shares during the respective periods are as follows:

	Three quarters		Third quarter	
	2025	2024	2025	2024
Net income attributable to the equity holders of the Parent Company	₱5,450,809,055	₱3,068,203,581	₱2,152,423,405	₱1,309,016,122
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	5,672,755,043
Basic and diluted earnings per share	₱ 0.961	₱0.541	₱0.379	₱0.231

8. Cost of Production

Details for the periods ended September 30 as follows:

	Nine-Month Period Ended September 30		Three-Month Period Ended September 30	
	2025	2024	2025	2024
Materials and supplies	₱2,633,616,249	₱2,089,891,972	₱1,062,059,270	₱731,452,710
Depreciation, depletion and amortization	1,239,512,520	1,334,787,982	430,081,659	473,001,764
Personnel cost	920,646,892	782,467,663	331,554,417	297,761,785
Contracted services	565,819,708	549,513,715	210,685,459	211,539,949
Utilities	600,365,159	499,709,653	228,589,572	142,342,985
Indigenous People (IP) surface rights royalty & IP royalty	199,294,315	154,455,681	77,010,954	50,604,922
Taxes, licenses and permits	168,372,195	154,193,506	48,834,637	39,846,315
Refining and transportation	79,609,930	68,405,404	26,959,060	24,615,803
SDMP	78,190,399	89,063,176	20,239,975	23,306,193
Others	249,084,706	166,825,067	94,103,993	43,313,081
	₱6,734,512,073	₱5,889,313,819	₱2,530,118,996	₱2,037,785,507

9. General and Administrative Expenses

Details for the periods ended September 30 as follows:

	Nine-Month Period Ended September 30		Three-Month Period Ended September 30	
	2025	2024	2025	2024
Personnel cost and professional fees	₱105,083,485	₱67,351,261	₱41,928,489	₱18,638,899
Taxes and licenses	39,524,095	50,361,006	4,074,006	8,521,183
Others admin expenses	159,332,064	89,044,316	33,978,812	42,635,372
	₱303,939,644	₱206,756,583	₱79,981,307	₱69,795,454

10. Results of Operations

The highlights of the Group's consolidated statement of income for the nine-month period ended September 30, 2025 broken down into the Parent Company, Subsidiaries and NCI are as follows:

	Parent Company	Subsidiaries	NCI	Consolidated
Revenues	₱13,539,402,874	₱1,944,466,812	₱-	₱15,483,869,686
Cost and expenses	(6,363,148,176)	(1,244,910,835)	(360,000)	(7,608,059,011)
Finance cost and other income/charges	(801,084,969)	(106,353,249)	-	(907,438,218)
Provision for income tax	(1,353,052,618)	(164,510,784)	-	(1,517,563,402)
Net income (loss)	₱5,022,117,111	₱428,691,944	(₱360,000)	₱5,450,809,055

SIGNATURES

Pursuant to the requirements of the Securities Regulations Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

APEX MINING CO. INC.
Registrant



LUIS R. SARMIENTO
President & CEO



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