

# COVER SHEET

SEC Registration Number

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COMPANY NAME

A	P	E	X		M	I	N	I	N	G		C	O	.	,		I	N	C	.		A	N	D		S	U	B	S
I	D	I	A	R	I	E	S																						

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

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

Form Type

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Department requiring the report

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Secondary License Type, If Applicable

N	/	A	
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## COMPANY INFORMATION

Company's Email Address

<b>Corpsec@apexmining.com</b>
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Company's Telephone Number

<b>8706-2805</b>
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Mobile Number

<b>+639088937925</b>
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No. of Stockholders

<b>2,743</b>
<b>(As of February 28, 2025)</b>

Annual Meeting (Month / Day)

<b>4/30</b>
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Fiscal Year (Month / Day)

<b>12/31</b>
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## CONTACT PERSON INFORMATION

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

Name of Contact Person

<b>Billy G. Torres</b>
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Email Address

<b>bgtorres@apexmining.com</b>
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Telephone Number/s

<b>8706-2805</b>
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Mobile Number

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## CONTACT PERSON'S ADDRESS

<b>3304B West Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City</b>
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**NOTE 1:** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES  
REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF  
THE PHILIPPINES

1. For the calendar year ended: **December 31, 2024**
2. Date of this report: **March 19, 2025**
3. Commission Identification Number: **40621**
4. BIR Tax Identification No.: **000-284-138**
5. Exact Name of Registrant as specified in its charter: **APEX MINING CO., INC.**
6. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**
7. Industry Classification Code: (SEC Use Only)
8. Address of registrant's principal office: **3304B West Tower, Tektite Towers, Exchange  
Postal Code: 1605 Road, Ortigas Center, Pasig City**
9. Telephone number, including area code: **Tel. # (02) 8706-2805 Fax # 8706-2804**
10. Former name, former address and former fiscal year, if changed since last report. **N/A**
11. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sections 4 and 8 of the  
RSA

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

12. Are any of the issuer's securities listed on a Stock Exchange? **Yes [ X ] No [ ]**

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

**Philippine Stock Exchange / Common shares**

**ANNUAL REPORT  
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## **Part I – BUSINESS AND GENERAL INFORMATION**

### **Item 1. BUSINESS**

#### **Corporate Information and Business Development**

Apex Mining Co., Inc. (the “Parent Company”) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 26, 1970 under the name Apex Exploration & Mining Company until 1978 when this was changed to its present name, Apex Mining Co., Inc.

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

On March 7, 1974, the Parent Company listed its shares in the Philippine Stock Exchange (PSE).

In 1991, the Parent Company ceased operation of the Maco mine due to the prolonged depressed gold price.

In 2005, Crew Gold Corporation (Crew Gold), a Canadian company, and its associated Philippine company, Mapula Creek Gold Corporation (Mapula), acquired 28% and 45% of the Parent Company’s shares, respectively, from the Puyat group. In 2006, Crew Gold organized Teresa Crew Gold Philippines, Inc. (Teresa) as a subsidiary to support the rehabilitation of the Parent Company’s mining properties and the refurbishing of the Maco mine’s processing plant.

In January 2009, Teresa commenced operations of the Maco mine. In October 2009, Crew Gold sold its holdings in Teresa and Mapula to Mindanao Gold Ltd. (Mindanao Gold), a special purpose company owned by Abracadabra Speculative Ventures, Inc. (ASVI) of Malaysia.

In November 2011, Monte Oro Resources & Energy, Inc. (MORE), a Philippine company, acquired an initial 5% ownership in the Parent Company, the proceeds of which were used for capital expenditures for the existing mine and mill, and for exploration drilling program of the Maco mine properties. In December 2011, the Philippine Securities & Exchange Commission approved the merger of Teresa and the Parent Company, with the Parent Company as the surviving entity effective on January 1, 2012.

In October 2013, MORE management was voted to take over management of the operation of the Parent Company by the stockholders. In April 2014, MORE acquired substantial ownership in the Parent Company held by Mapula. At this point, MORE became the significant shareholder, controlling 46.5%, of the Parent Company.



In October 2014, the Parent Company acquired 100% ownership of MORE, and Prime Strategic Holdings, Inc. (PSHI) and other MORE shareholders used the proceeds of the sale of their shares in MORE to subscribe to new shares in the Parent Company and in the process acquire control of the Parent Company, diluting to a small minority the shareholdings of Mindanao Gold and Mapula.

In June 2015, the Parent Company acquired 98% of the shares of Itogon-Suyoc Resources, Inc. (ISRI), a Philippine mining company. The Parent Company acquired the remaining 2% of ISRI in August 2016.

In March 2022, PSHI completed a mandatory tender offer after acquiring the controlling interest of Devoncourt Estates, Inc. and Lakeland Village Holdings, Inc. (collectively holding 14.43% shares of the Parent Company) and bringing its total direct and indirect shareholdings with the Parent Company to 54.75%.

In February 2023, the Parent Company acquired Asia Alliance Mining Resources Corporation, a mining company which has interests, by virtue of a Notice of Award issued by the Philippine Mining Development Corporation as the highest bidder for the Joint Operating Agreement over copper mines and mining claims covering 20,237 hectares, situated in the Municipalities of Mabini, Maco and Maragusan, Davao de Oro covered by the North Davao Mining Corporation application FTAA-XI-14. Based on the Area Status and Clearance dated 10 February 2022 issued by the Department of Environment and Natural Resources Region XI, the mining claims area has been amended to 19,135.12 hectares.

## **Business of Issuer**

### Products

The Parent Company's Maco mine and ISRI's Sangilo mine produce bullions and buttons, respectively, containing gold and silver. All of the production of both mines are sold to Heraeus Ltd. in Hong Kong.

### Competition

Competition among mining companies is inexistent as each mining company operates in its own individual areas or tenements granted to them by the Philippine government. The competition is in obtaining a mining license, such as Mineral Production Sharing Agreement (MPSA) from the government. A mining company with no MPSA, mining patents or other forms of tenement will not be able to operate.

### Development Activities

Expenditures for the development activities in Maco mine by the Parent Company and in the last three calendar years and its percentage to revenue are shown in the following table:

Year	Development Cost	Revenue	Percentage
2024	₱1,095,402,880	₱13,373,652,603	8%
2023	1,109,745,206	10,696,327,705	10%
2022	1,104,213,106	9,498,939,395	12%

### Sources of Materials and Supplies

Operating materials and supplies, and equipment and maintenance parts are provided by a number of suppliers both domestic and foreign.

## Employees

Total manpower headcount as of December 31, 2024 is 1,672. The table below summarizes the distribution of the Parent Company's manpower count as to division and rank.

<u>Division/Department</u>	<u>R&amp;F</u>	<u>Supervisor</u>	<u>Manager</u>	<u>Total</u>
Mine Division	542	159	12	713
Mill Division	134	33	8	175
Geology Division	103	48	5	156
Technical Services	285	67	12	364
Support Services & Admin	101	121	42	264
<u>Total</u>	<u>1,165</u>	<u>428</u>	<u>79</u>	<u>1,672</u>

## Status of Operations

### A. Mining Properties

#### *Maco Mine*

On December 22, 2005, the Mines and Geosciences Bureau (MGB) approved the Parent 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 Parent 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 December 31, 2024, the Parent 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 Parent 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.

#### *Itoyon Mines*

ISRI is the holder of four (4) Patented Mineral Claims covering the Sangilo Mine in Itoyon, 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 while doing some rehabilitation of its facilities.

#### *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.

#### *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 Parent Company has a 3.92% equity interest. The company's operations remain suspended 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 a one-year Authority to Verify Minerals, AAMRC has conducted exploration and verification activities in the project area.

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 first half of 2022.

On April 6, 2022, Forum received a directive from the 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. 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 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. 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 remain under Moratorium in 2024.

#### 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.

##### Government Regulations and Approvals

Compliance with existing governmental regulations entails costs to the Parent Company and Subsidiaries (collectively referred to as the “Group”) which are appropriately reflected either as expense or as capital asset based on the related financial reporting standards. Future and probable government regulations are considered but the effects cannot be determined until the specific implementing guidelines are known.

##### Exploration and Development

Exploration and development are undertaken in-house and overseen by the Parent Company’s Vice President for Geology & Exploration, Dr. Eric S. Andal.

## Operations

### *Geology and Exploration*

The Geology Division of the Company covers both the Mine Geology Department, which deals with the day-to-day mining operations, and the Exploration Department, which focuses on delineating and discovering ore resources for the life of the mine. The Exploration Department conducts both surface and underground exploration, as well as providing other technical services. Its exploration strategy involves mapping, assessing, and drill-testing delineated targets, such as extensions of known mineralization/vein systems or identified prospective areas (for both gold and copper), based on actual ground mapping or geophysical surveys.

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

Underground drilling operations utilize the wireline diamond core drilling method of HQ and NQ sizes. In-house drilling operates two types of drill rigs: the Sandvik DE-140 rigs averaging 500 meters at HQ size drill rods and the Diamec Smart-U4 rigs averaging 320 meters (NQ size). On the other hand, the current Contractor utilizes Diamec Smart-U8 and Smart-U6 rigs averaging 520 meters (HQ size).

For surface drilling, a total of 10,572.40 meters was completed in 2024. This was distributed among nineteen drill holes, of which six were drilled in-house and thirteen were drilled by a contractor.

Three surface drilling programs are currently active namely STF-50E-01 (targeting St Francis Vein), HPE-04 (targeting the Hope Porphyry anomaly) and PGP-19 (tracing the eastern extension of the Pag-asa porphyry). Similar to underground, surface drilling operations use the wireline diamond core drilling method with HQ and NQ size drill string. Surface in-house drilling operates two types of drill rigs: a Multi-Power Product MP-1000 rig averaging 350 meters (PQ-NQ size) and an Epiroc Christensen-140 rig averaging 500 meters (PQ-NQ size). While the surface contractor utilizes a Boart Longyear LF-90 rig with a capacity of 700 meters (PQ-NQ size).

### *Mining Operations*

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

Below is the summary of ore sources production and average grade of mined ore:

Ore sources	2024			2023		
	Tonnage	Gpt of gold	% to Total	Tonnage	Gpt of gold	% to Total
Ore development	<b>532,317</b>	<b>3.37</b>	<b>58%</b>	465,619	3.65	55%
Stoping	<b>217,487</b>	<b>4.89</b>	<b>24%</b>	203,662	5.40	24%
Conventional - Contract	<b>151,120</b>	<b>5.66</b>	<b>16%</b>	154,016	4.84	18%
Incidental ore	<b>20,001</b>	<b>3.12</b>	<b>2%</b>	20,815	3.60	3%
	<b>920,925</b>	<b>4.10</b>	<b>100%</b>	844,112	4.29	100%

In 2024 and 2023, off-vein mine development for access drives advanced 6,066 and 7,836 meters, respectively, while on-vein mine development for ore advanced 11,540 and 9,643 meters, respectively.

*Mill Operations*

Below is the summary of the mill production metrics in 2024 with comparative 2023 and 2022 figures.

	2024	2023	Change	2022	Change
Tonnage:					
Total	<b>899,002</b>	823,427	+9%	815,910	+1%
TPD	<b>2,588</b>	2,402	+8%	2,330	+3%
Mill head grade (gpt):					
Gold	<b>3.61</b>	4.11	-12%	3.96	+4%
Silver	<b>15.98</b>	18.55	-14%	19.51	-5%
Recovery percentage:					
Gold	<b>85.71</b>	87.15	-2%	87.92	-1%
Silver	<b>74.72</b>	70.16	+7%	73.80	-5%
Ounces produced:					
Gold	<b>90,775</b>	94,272	-4%	91,072	+4%
Silver	<b>343,347</b>	342,860	+0.1%	377,729	-9%

*Mineral Resource and Ore Reserves update*

The estimated mineral resource for MPSA-225-2005-XI and MPSA-234-2007-XI amounted to 16.8 million tonnes at a grade of 4.39 gpt and 1.84 million tonnes at a grade of 5.84 gpt, respectively, while the estimated ore reserves amounted to 9.90 million tonnes at a grade of 4.18 gpt and 935.0 thousand tonnes at a grade of 6.06 gpt, respectively. Both mineral resource and reserve are from respective Competent Person (CP) reports dated February 22, 2025 and February 28, 2025, respectively.

The modifying factors that were applied are the dilution factor assigned per type of mining method (Long Hole, Cut & Fill, Shrinkage, Sub-level Caving), provision for pillar, and a block cut-off grade of 1.20 gpt. Meanwhile the mineral resource was estimated using a block cut-off grade of 1.00 gpt.

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.

Category	Estimated Mineral Resource @ Cut-Off Grade of 1.0 gpt					
	MPSA-225-2005-XI			MPSA-234-2007-XI		
	Grade (gpt)	Tonnes	Estimated gold (in ounces)	Grade (gpt)	Tonnes	Estimated gold (in ounces)
Inferred	4.40	6,200,000	800,000	5.50	830,000	100,000
Indicated	4.20	7,200,000	910,000	5.78	730,000	130,000
Measured	4.77	3,400,000	510,000	6.98	280,000	60,000
Total / Average	4.39	16,800,000	2,220,000	5.84	1,840,000	290,000

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

Estimated Ore Reserves @ Cut-Off Grade of 1.20 gpt						
MPSA-225-2005-XI				MPSA-234-2007-XI		
Category	Grade (gpt)	Tonnes	Estimated gold (in ounces)	Grade (gpt)	Tonnes	Estimated gold (in ounces)
Probable	3.95	6,418,000	817,000	5.71	658,000	121,000
Proven	4.61	3,479,000	514,000	6.90	277,000	60,000
Total / Average	4.18	9,897,000	1,331,000	6.06	935,000	181,000

The above figures were lifted from the technical report duly notarized on March 14, 2025 on the 2025 report for economic assessment and ore reserve estimation of the gold vein deposits of Maco mines within MPSA-225-2005-XI 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.

#### *Community Development Projects Update*

The Parent Company complied with and implemented the mandates provided under DENR Administrative Order (DAO) No. 2010-21, “Mandating the Contractor/Permit Holder/Lessee to allocate annually a minimum of one and a half percent (1.50%) of the Total Operating Cost (TOC) as the basis for funding the Social Development and Management Program (SDMP), provided further that the SDMP Fund shall be allocated by 75%, 15% and 10% for the Development of Host & Neighboring Community (DHNC); Information, Education and Communication (IEC); and the Development of Mine Technology & Geosciences (DMTG), respectively.”

Actual and budgeted SDMP in 2024 and 2023, and the breakdown between DHNC, IEC and DMTG are shown below, in millions of PHP:

	Budgeted SDMP	Actual DHNC	Actual IEC	Actual DMTG	Actual SDMP
<b>2024</b>	<b>87.6</b>	<b>78.6</b>	<b>14.9</b>	<b>7.8</b>	<b>101.3</b>
2023	79.5	62.1	11.5	8.6	82.2

#### *Environmental Protection and Enhancement Program (EPEP) Update*

A total of ₱141.5 million was spent in the implementation of various EPEP activities during the year compared to the 2023 EPEP spending of ₱117.9 million. These activities were carried out to mitigate the negative impact of mining operations to the environment.

Below is the summary of the activity areas with corresponding costs.

<b>Activity areas</b>	<b>2024</b>
Land resources	₱ 112.7
Water resources and quality	9.6



Environmental research	12.6
Conservation values	0.3
Air quality	0.6
Noise monitoring	0.0
Multi-partite monitoring team/mine rehabilitation fund committee activity and other capital outlay	5.7
<b>Total</b>	<b>₱141.5</b>

### *Power Supply and Utilization Update*

Below are the tables showing the summary of the utilization of power of the Parent Company for the years 2024 and 2023.

#### **2024**

COST CENTERS	PROJECTED 2024			ACTUAL 2024		
	kW-Hr x 1,000	Php (5.07/kW-Hr) x 1,000	%	kW-Hr x 1,000	Php (4.78/kW-Hr) x 1,000	%
<b>Mine Operation Areas</b>						
VENTILATION	40,753	206,453	33.59%	47,335	226,314	38.21%
DEWATERING	18,512	93,780	15.26%	27,560	131,765	22.25%
JUMBO DRILLS	7,487	37,929	6.17%	3,057	14,616	2.47%
COMPRESSORS	10,661	54,008	8.79%	4,757	22,745	3.84%
<b>Mill Plant Area</b>	42,521	215,410	35.05%	40,273	192,549	32.51%
<b>Maintenances Areas</b>	625	3,165	0.52%	430	2,055	0.35%
<b>Admin, Offices and Staff House</b>	755	3,827	0.62%	458	2,192	0.37%
<b>Annual kW-Hr</b>	<b>121,315</b>	<b>614,573</b>	<b>100.00%</b>	<b>123,871</b>	<b>592,235</b>	<b>100.00%</b>

#### **2023**

COST CENTERS	PROJECTED 2023			ACTUAL 2023		
	kW-Hr X 1,000	Php(6.44/kW-Hr) X 1,000	%	kW-Hr X 1,000	Php(5.57/kW-Hr) X 1,000	%
<b>Mine Operations Areas</b>						
VENTILATION	43,721	281,565	37.57%	40,051	223,086	36.50%
DEWATERING	14,508	93,434	12.47%	22,137	123,305	20.17%
JUMBO DRILLS	7,338	47,259	6.31%	3,165	17,627	2.88%
COMPRESSORS	11,853	76,330	10.19%	5,014	27,925	4.57%
<b>Mill Plant Area</b>	35,779	230,416	30.75%	38,521	214,561	35.11%
<b>Maintenance Areas</b>	2,660	17,132	2.29%	420	2,341	0.38%
<b>Admin, Office and Staff House</b>	502	3,234	0.43%	420	2,341	0.38%
<b>Annual kW-Hr</b>	<b>116,362</b>	<b>749,370</b>	<b>100%</b>	<b>109,728</b>	<b>611,186</b>	<b>100%</b>

The Parent Company has several supply contract agreements with various industrial power companies.

### *Safety Development Update*

The Safety Department of the Parent Company takes a proactive approach in ensuring that the well-being of all stakeholders is prioritized. This means a work place where no one gets hurt or injured and everyone goes home safe during operation of its business. Management

plays a major role in the safety management system within the company. Programs are put in place to eliminate or minimize hazards and risks in the area, and all workers are encouraged to be responsible for their own safety and the safety of others.

The Parent Company had no non-lost time accidents; no lost time accident which is fatal; and 65 incidents of property damage in 2024, compared to 5, 1 and 71, respectively, in 2023.

A landslide which occurred outside the work area of the Parent Company is reported on page 15 of this report.

#### *Related Party Transactions*

Please refer to Note 15 of the Notes to the Consolidated Audited Financial Statements as of December 31, 2023. Part III, Item 13 of this report also discusses related party transactions.

#### Major Business Risks

##### *Regulatory Change*

The Group may be affected by changes in regulatory requirements, customs, duties or other taxes. Such changes could, depending on their nature, benefit or adversely affect the Group.

##### *Mineral Resources or Mineral Reserves*

The exploration for and development of mineral properties involve significant risks, which may not be completely eliminated even with a combination of careful evaluation, experience and knowledge. While the discovery of an ore body may result in substantial rewards, only a few properties explored are ultimately developed into producing mines.

The long-term viability of the company depends upon its ability to find or acquire, develop and commercially produce base metals and other minerals.

##### *Exploration, Development and Operating Risks*

Mining, exploration and development operations generally involve a high degree of risk. The operations are subject to all the hazards and risks normally encountered in the exploration, development and production of precious and base metals. This includes unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability. The exact effect of these factors, if and when they become present, cannot be accurately predicted and the costs estimated with a high level of confidence, thus, involve risks.

##### *Security Risks*

The operation of the mines of the Group may also be affected by insurgency and peace and order conditions in the geographical area and the surrounding communities where the mines are located.

##### *Price Risks*

The Group's revenue is largely dependent on the world market prices for gold and silver and the factors affecting the behavior of these are beyond the Group's control. Production and operating costs are constantly being monitored to ensure that optimal use of the Group's

assets is being done and to ensure that costs, on the aggregate and on a per unit basis, are kept at a minimum.

#### *Foreign Exchange Rates*

The Group has determined that the Philippine Peso to be its functional and presentation currency as it is the currency in which majority of its operations are denominated in. The Group, however, receives its revenues in USD and also has foreign currency-denominated financial assets and liabilities that if exposed to the fluctuations of the exchange rates, may positively or negatively impact the Group's consolidated statement of income.

### **Item 2. PROPERTIES**

The Group owns mining facilities and administrative support facilities in its Maco mine site, Sangilo and Suyoc mine site and other support facilities in MORE offices. Machinery and equipment are acquired month to month as needed usually through direct cash purchase or under suppliers' credit terms.

In February 2023, the Parent Company acquired Asia Alliance Mining Resources Corporation, a mining company which has interests, by virtue of a Notice of Award issued by the Philippine Mining Development Corporation as the highest bidder for the Joint Operating Agreement over copper mines and mining claims covering 20,237 hectares, situated in the Municipalities of Mabini, Maco and Maragusan, Davao de Oro covered by the North Davao Mining Corporation application FTAA-XI-14. Based on the Area Status and Clearance dated 10 February 2022 issued by the Department of Environment and Natural Resources Region XI, the mining claims area has been amended to 19,135.12 hectares.

The principal office of the Parent Company in Pasig City is being leased with an annual rental fee of ₱5.4 million.

### **Item 3. LEGAL PROCEEDINGS**

The Group is involved in various legal proceedings, claims and liabilities incidental to its normal business activities. The Group's management and legal counsel are of the opinion that the amount of the ultimate liability, if any, with respect to these will not have a material adverse effect on the financial position and performance of the Group.

### **Item 4. SUBMISSION OF MATTERS TO A VOTE OF THE SECURITY HOLDERS**

There are no matters submitted during the year 2024 covered by this 17-A report for submission to a vote of security holders except for the nomination of Joselito H. Sibayan despite exceeding the maximum cumulative nine-year term because of his insight and experience as an investment banker which the Company will need for its fundraising plans to support its expansion projects. Mr. Sibayan has continued to maintain his objectivity and independence in board deliberations despite his long tenure. The Company considers this as a meritorious justification for exceeding the 9-years term, subject to the approval of the stockholders.

## Part II – OPERATIONAL AND FINANCIAL INFORMATION

### Item 5. Market for Registrant Common Equity and Related Stockholders Matters

#### Market Information

The Parent Company’s common shares are traded in the Philippine Stock Exchange carrying the symbol “APX”.

The high and low stock prices per share for each quarter in 2024 and 2023, and for the first quarter of 2025, were as follows:

Year	Period	Listed Common Shares	
		High	Low
2025	January 1 – February 28	4.58	3.45
2024	January 1 - March 31	3.10	2.41
	April 1 - June 30	4.20	2.66
	July 1 - September 30	4.60	3.80
	October 1 - December 31	4.36	3.16
2023	January 1 - March 31	2.24	1.81
	April 1 - June 30	3.27	2.08
	July 1 - September 30	3.05	2.32
	October 1 - December 31	3.13	2.20

#### Stockholders

As of December 31, 2024, the Parent Company has 2,747 shareholders with 6,227,887,491 total issued and outstanding common shares.

The top 20 stockholders of the Parent Company as of December 31, 2024 follows:

Stockholder	Number of shares	% of ownership
1 Prime Strategic Holdings, Inc.	3,078,160,622	49.43
2 PCD Nominee Corp.*	1,352,787,036	21.72
3 Monte Oro Resources & Energy, Inc.	555,133,447	8.91
4 Lakeland Village Holdings, Inc.	474,616,599	7.62
5 Devoncourt Estates, Inc.	423,904,339	6.81
6 PCD Corporation (non-Filipino)	178,280,801	2.86
7 Mapula Creek Gold Corporation	78,033,808	1.25
8 Mindanao Gold Ltd.	30,224,308	0.49
9 Jacinto C. Ng	14,725,217	0.24
10 Silverio Benny J. Tan	13,606,747	0.22
11 Carousel Holdings, Inc.	3,070,000	0.05
12 Diosdado M. Peralta	1,655,000	0.03
13 Roel Z. Castro	1,174,753	0.02
14 Rexlon Industrial, Corp.	1,006,525	0.02
15 Michael Ray C. Aquino	727,000	0.01
16 Mamiko Mayama	723,000	0.01
17 Stephen A. Paradies	550,900	0.01
18 Lucio W. Yan and/or Clara Yan	485,525	0.01
19 Jalandoni, Jayme, Adams & Co., Inc.	484,892	0.01

\* Net of the shares actually lodged with the PCD but are presented separately in this list.

As of December 31, 2024, the public ownership level of the Parent Company is at 26.98%.

#### Dividends

In 2022, the Board of Directors approved a dividend policy to declare as cash dividend an amount equivalent to ten percent (10%) of the net income of the Group per its consolidated audited financial statement for each year provided there is sufficient unrestricted retained earnings to cover the cash dividends. Below are the dividends declared by the Parent Company in 2024 and 2023:

Board of Directors Approval Date	Dividend per common share	Record Date	Payment Date
April 28, 2023	₱0.053621	May 15, 2023	June 5, 2023
April 15, 2024	₱0.027278	April 30, 2024	May 15, 2024
April 15, 2024	₱0.054155	April 30, 2024	May 15, 2024

#### Recent Sales of Unregistered or Exempt Securities

No securities were sold by the Parent Company in the past three years ended December 31, 2024 which were not registered under the Securities Regulation Code. There was also no sale of reacquired securities during the same period.

### **Item 6. MANAGEMENT DISCUSSION ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEARS 2024, 2023 AND 2022**

#### Consolidated Statement of Income

##### *Consolidated Revenues*

The consolidated revenues in 2024, 2023 and 2022 amounted to ₱15.1 billion, ₱12.1 billion and ₱10.3 billion, respectively, or an increase of ₱3.1 billion in 2024 compared to 2023, and ₱1.8 billion in 2023 compared to 2022. The consolidated revenues of the Group pertain to the Parent Company and ISRI revenues.

Information on the Group sales volume and realized prices for gold and silver in 2024, 2023 and 2022 is as follows:

	2024	2023	Change	2022	Change
<b>Gold</b>					
Volume sold in ounces	<b>104,107</b>	106,495	-2%	101,096	+5%
Realized price/ounce, in USD	<b>\$2,436</b>	\$1,962	+24%	\$1,797	+9%
<b>Silver</b>					
Volume sold in ounces	<b>350,151</b>	346,824	+1%	382,345	-9%
Realized price/ounce, in USD	<b>\$28.63</b>	\$23.51	+22%	\$21.78	+2%

*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 revenues in 2024, 2023 and 2022 were ₱57.45, ₱55.67 and ₱54.77, to one USD, respectively.

An analysis of the consolidated revenue variance, which comprises of sales volume, price and exchange rate variances, between the comparative years ended December 31, 2024, 2023 and 2022 of the Group are as follows:

Variance	2024 versus 2023 (in thousands of PHP)			2023 versus 2022 (in thousands of PHP)		
	Gold	Silver	Total	Gold	Silver	Total
Volume (sold)	(P260,848)	P4,351	(P256,497)	P531,404	(P42,373)	P489,031
Price	2,745,657	99,722	2,845,379	962,403	32,862	995,265
Exchange rate	461,021	17,687	478,708	273,514	7,682	281,196
Consolidated revenue	P2,945,830	P121,760	P3,067,590	P1,767,321	(P1,827)	P1,765,494

On February 6, 2024, a landslide occurred in Zone 1, Bgy. Masara, Maco, Davao De Oro resulting to damages to property and 98 deaths and other 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 coordinated with the local and national government in relation to the mitigation measures and relocation assistance to the displaced community. The Company has donated the land where the displaced communities were relocated. The Company is also assisting the government to restrict access to no build zones identified by the MGB.

The Parent Company was able to catch up and return to the targeted operating level during the second half of the year and milled higher ore tonnages at 899,002 tonnes (averaging at 2,588 tonnes per day) compared to 823,427 tonnes (averaging at 2,402 tonnes per day) in 2023. Despite higher tonnage, the gold grams per tonnes milled and gold recovery rate were lower.

The lower ore grades averaging 3.61 grams of gold per tonne contributed to the 2% lower gold sales to 104,107 ounces this year from 106,495 ounces last year. Silver sales, on the other hand, increased by 1% to 350,151 ounces from 346,824 ounces.

Gold recovery is at 85.71%, slightly lower compared to last year's 87.15% recovery. Silver recovery increased by 6% to 74.72% against last year's 70.16% recovery rate

ISRI milled a total of 148,021 tonnes at 3.10 gold grade per tonne and 85.56% gold recover during the year, higher than 138,361 tonnes milled at 3.32 gold grade per tonne and 85.72% recovery, in 2023.

Realized metal prices averaging \$2,436 per ounce for gold and \$28.63 per ounce for silver established a new record for the Group's annual revenue of P15.1 billion in 2024. This was higher by 25% than the previous record revenue reported in 2023 of P12.1 billion from the average prices of \$1,962 and \$23.51 per ounce for gold and silver, respectively.

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 2032. The exploration program for MPSA 225 and 234 continues to this day and once the updated third-party competent report on the results of exploration is completed, the Parent Company will disclose properly. The acquisition of the Asia Alliance Mining Resources Corporation gives the mine future gold resources as the extensions of existing mining veins spill over to the adjacent tenement. These gives our exploration team new ground to drill and validate.

The significant depreciation of the PHP against the USD resulted in a favorable exchange rate variance.

#### *Consolidated Cost of Production*

Consolidated cost of production incurred in 2024, 2023 and 2022, amounted to ₱7.6 billion, ₱6.3 billion and ₱5.4 billion, respectively. Costs of production for the unsold metal products of the Group were reported as inventories in the balance sheets as of December 31, 2024 and were charged to income statement upon sale in January 2025. A breakdown of the main components of consolidated cost of production is as follows:

- Materials used in mining and milling rose by 26% or ₱620.4 million in 2024 compared to 2023. The Parent Company processed a total of 899,002 tonnes during the year which is 9% higher than the tonnage milled in the same period last year. Cost of materials used in mining and milling registered higher unit costs, both in local and imported materials, in 2024 due to inflation.

In 2023, materials used in mining and milling rose by ₱412.5 million compared to 2022. The Group processed a total of 823,427 tonnes which is 1% higher than the tonnage milled in 2022.

- Depreciation, depletion and amortization expense was higher by 10% or ₱131.7 million in 2024 compared to 2023, and lower by 5% or ₱67.4 million in 2023 compared to 2022 due to higher capital expenditures incurred in the past years for depreciable assets such as plant expansion, maintenance and infrastructure, as well as mine development which is subject to depletion. As at December 31, 2024, 2023 and 2022, the Group spent ₱3.38 billion, ₱2.98 billion and ₱2.23 billion on property plant and equipment.
- Personnel costs were higher by ₱167.71 million in 2024 compared to 2023 due to the updating and standardization of pay grade scale, periodic adjustment of salary rates, and payment of new and additional benefits during the year. Additional contracted services were availed to support the increasing operating and expansion activities in Maco mine resulting in the increase of ₱158.49 million or 34% compared to 2023.
- Power cost, reported under “Utilities”, increased to ₱617.6 million in 2024 from ₱509.5 million in 2023 due to higher power consumed (123,871 thousand kilowatt in 2024 versus 109,728 kilowatt in 2023).
- Indigenous People (IP) surface rights royalty & IP royalty, Social Development and Management Program (SDMP) expenses and taxes, licenses and permits, as a group, accounted for a 28% increase or ₱119.2 million in 2024 compared to 2023 and 32% or ₱104.3 million increase in 2023 compared to 2022 due to higher revenue and cost base being used in the computation of these costs.

- Repairs and maintenance decreased by 49% or ₱55.3 million due to the equipment replacement program wherein the heavy equipment requiring higher repairs and maintenance costs are replaced by new ones.
- Bullion refining and transportation charges slightly increase by 0.02% or ₱16,446 in 2024 compared to 2023 and increase of 2% or ₱1.5 million in 2023 compared to 2022 due to the volume and frequency differences of shipments.
- Insurance expense is higher by ₱7.1 million in 2024 compared to 2023 and lower by ₱14.5 million in 2023 versus 2022, mainly due to the changes in insurable properties such as inclusion of newly acquired equipment and exclusion of fully depreciated equipment.

#### *Consolidated Excise Taxes*

Consolidated excise taxes are excise taxes on the market value of metals produced which amounted to ₱602.8 million, ₱478.6 million and ₱402.9 million in 2024, 2023 and 2022, respectively. The increase in the excise tax in 2024 and 2023 is attributable to the increase in revenue which is used as tax base in the computation of 4% excise tax due.

#### *Consolidated General and Administrative Expenses*

Consolidated general and administrative (G&A) expense in 2024, 2023 and 2022 amounted to ₱471.3 million, ₱253.8 million and ₱224.9 million, respectively. The individual contribution to the consolidated G&A expenses of the Group in each reporting year in millions of PHP are as follows:

	<b>2024</b>	2023	2022
Parent Company	<b>₱332.1</b>	₱165.3	₱149.7
MORE and Subsidiaries	<b>46.4</b>	44.8	41.6
ISRI	<b>92.8</b>	43.7	33.6
	<b>471.3</b>	₱253.8	₱224.9

G&A expenses were higher in 2024 compared to 2023 and 2022 due to the increase in manpower in the head office to provide corporate technical services, higher local taxes and documentary stamp tax paid, and amount spent as assistance to the employees and community affected by the landslide.

#### *Consolidated Finance Costs*

Consolidated finance costs in 2024, 2023 and 2022 of the Group amounted to ₱594.8 million ₱559.3 million and ₱170.2 million, respectively. The higher finance cost in 2024 versus 2023 versus 2022 was primarily due to new loan availment with a local bank, partly being cushioned by the effect of quarterly loan amortization payments and higher capitalization of borrowing costs based on the weighted average cost computed this year. Interest on financial liability in the amount of ₱179.0 Million was also recognized in relation to the asset acquisition of AAMRC in accordance with the generally accepted accounting principle reporting guidelines.

#### *Consolidated Other Income (Charges)*

The consolidated other income/charges of the Group which is primarily from the recognition of temporary impairment of assets, recognition of realized and unrealized foreign exchange gains and losses, previous years' tax losses and provision for recoverability of input tax amounted to ₱432.3 million charges and ₱351.4 million income in 2024 and 2023, respectively.



### *Consolidated Provision for Income Tax*

The Group's current income tax were at ₱1.18 billion, ₱766.3 million and ₱711.4 million in 2024, 2023 and 2022, respectively. The significant portion of current income tax is attributable to the Parent Company being subjected to the regular corporate income tax (RCIT) rate. In 2022, the Parent Company availed the option to use the optional standard deduction (OSD) as its method of deduction.

The benefit from deferred income tax came from the utilization of the carryover net operating loss and the tax credits from MCIT payments in prior periods.

### *Consolidated Net Income*

The consolidated net income of the Group was ₱4.3 billion in 2024, or 28% higher from the ₱3.4 billion consolidated net income in 2023. In 2022, the Group reported a consolidated net income of ₱657 million after recognizing a provision for impairment loss on various assets of MORE.

The Parent Company net income in 2024 amounted to ₱4.3 billion compared to the ₱3.5 billion and ₱3.3 billion net income in 2023 and 2022, respectively.

### *Consolidated Other Comprehensive Income (Loss)*

Re-measurement gains/losses on retirement plan in 2024, 2023 and 2022 amounted to ₱11.54 million gain, ₱39.6 million loss, and ₱31.0 million gain, respectively, which arises out of the change in the assumptions used by an independent, third-party actuary.

### Consolidated Statement of Financial Position

#### *Consolidated Current Assets*

Total consolidated current assets increased by 55% or ₱2.5 billion to ₱7.1 billion as of December 31, 2024 from ₱4.6 billion as of December 31, 2023 essentially due to the following:

- Cash of the Group rose by ₱1.9 billion to ₱3.2 billion from ₱1.3 billion as of December 31, 2023 due to the net cash inflow of ₱5.0 billion from operating activities and loan availment of ₱5.9 billion, despite expenditures for capital assets, mine development, explorations costs and other noncurrent assets aggregating to ₱3.9 billion, and settlements of maturing term loan amortization, dividend payment, and acquisition of AAMRC, with an aggregate amount of ₱5.3 billion, during the year.
- Trade and other receivables increased by ₱384.4 million to ₱1.3 billion as of December 31, 2024 compared to December 31, 2023 mainly due to the timing of the shipment, sales and collection of proceeds from the refiner/customer. In addition, inventories increased by ₱259.8 million as of December 31, 2024 versus the comparative balance as of December 31, 2023 due to the timing of shipment of bullion produced. Bullion produced during the month are usually sold near the end of the month but the proceeds are received a number of days in the following month.
- 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. The LLIs are currently stored in Singapore and Batam,

Indonesia. 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 was collected in 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.

#### *Consolidated Noncurrent Assets*

Total consolidated noncurrent assets increased by ₱2.5 billion to ₱25.0 billion as of December 31, 2024 from ₱22.5 billion as of December 31, 2023 due to the purchase of new equipment and continuous exploration and development activities of both Maco and Sangilo mines. In 2023, Additions to deferred exploration cost include the fair value of mining rights in North Davao Project amounting to ₱3.97 billion to which the Group has interest through the acquisition of AAMRC's 100% equity interest. The fair value of the mining rights is determined using market approach based on yardstick and area-based multiples as valuation basis.

#### *Consolidated Current Liabilities*

Consolidated current liabilities were lower by ₱1.5 billion to ₱6.4 billion as of December 31, 2024 from ₱7.9 billion as of December 31, 2023 mainly because of the conversion of loans payable with BOC from short-term to long-term, despite of the recognition of financial liability from the acquisition of AAMRC, higher purchase of local and imported goods and services near end of the period, net of the decrease due to the repayment of short-term loans.

#### *Consolidated Noncurrent Liabilities*

The Group's consolidated noncurrent liabilities increased by ₱2.7 billion to ₱7.2 billion as of December 31, 2024 compared to December 31, 2023 due to the loan availed under the Omnibus Loan and Security Agreement with PNB and BOC after the derecognition of financial liability from the acquisition of AARMC, net of quarterly loan amortization payments and reclassification to current portion of a bank term loan.

#### *Consolidated Equity*

Consolidated equity increased by ₱3.9 billion contributed by the total comprehensive income registered in 2024.

#### Key Performance and Financial Soundness Indicators

##### *Tonnes Mined and Milled*

Tonnage, ore grade and metal recovery determine production volume. The higher the tonnage, ore grade and recovery, the more metals are produced.

Please refer to the "Operations" section of Part I, Item I of this report for details on tonnes mine and milled, and production highlights.

##### Financial Ratios

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

Financial Ratio	Formula	December 31	
		2024	2023
Gross profit margin	$\frac{\text{Gross profit}}{\text{Revenue}}$	<b>49.81%</b>	47.42%
Return on assets	$\frac{\text{Net income}}{\text{Total assets}}$	<b>14.63%</b>	14.1%
Return on equity	$\frac{\text{Net income}}{\text{Total equity}}$	<b>21.03%</b>	20.2%
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	<b>1.12 : 1</b>	0.6 : 1
Debt-to-equity ratio	$\frac{\text{Total debt}}{\text{Total equity}}$	<b>0.66 : 1</b>	0.8 : 1
Asset-to-equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	<b>1.6 : 1</b>	1.7 : 1
Debt service coverage ratio	$\frac{\text{EBITDA}}{\text{Loan principal plus interest payments}}$	<b>5.1x</b>	4.3x

The gross profit margin in 2024 is higher compared to 2023 due higher realized metal prices.

The slight increase in the return on assets and return on equity in 2024 is due to a higher net income.

Debt-to-equity ratio is lower due to higher equity as effect of the income earned, despite of a higher of total debts during the period due to the new loan availment net of quarterly amortization of term loans. Asset-to-equity ratio also decreased this year compared to prior period due to a higher equity as effect of the income earned despite of the fast growth in the Group's total asset.

The current ratio in 2024 is higher as compared to 2023 due to lower current liabilities resulting from the conversion of loans with BOC from short-term to long-term.

Debt service coverage ratio increased due to a higher Groups' EBITDA in 2024 compared to 2023.

#### 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 domestic standby letter of credit with the sellers for the acquisition of Asia-Alliance Mining Resources Corporation;
- 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.

## **Item 7. FINANCIAL STATEMENTS**

The audited consolidated financial statements are presented in Part V, Exhibits and Schedules.

## **Item 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

### **INFORMATION ON INDEPENDENT ACCOUNTANTS AND OTHER RELATED MATTERS**

#### **External Audit Fees and Services**

##### Audit and Audit-Related Fees

In 2024 and 2023, the audit was basically engaged for the purposes of the external auditor expressing an opinion on the financial statements of the Company and its Subsidiaries. In addition, the audit included providing assistance to the Company in the preparation of its income tax return in as far as ensuring the agreement of the reported income and costs and expenses with the recorded amounts in the books. The procedures conducted include those that are necessary under Philippine Financial Reporting Standards. This, however, did not include detailed verification of the accuracy and completeness of the reported income and costs and expenses.

The total Group audit fees for the foregoing services amounted to ₱9.2 million in 2024 and ₱8.5 million in 2023.

##### Tax Fees

Professional fees paid for tax services amounting to ₱308 thousand were paid in 2024 and ₱473 thousand in 2023.

##### All Other Fees

There were no other services rendered by external auditors other than the audit services and tax advisory services mentioned above.

##### Audit Committee's Approval Policies and Procedures

Prior to the commencement of the work of external auditors, the external auditors present their audit program and schedule to the Company's Board Audit Committee. The external auditors then present the audited financial statements of the Company to the Audit Committee after the completion of the audit.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no changes in and/or disagreements with independent accountants/external auditors on accounting and financial disclosure and no change in the Company's independent accountants during the two most recent fiscal years and subsequent interim periods.

**Part III – CONTROL AND COMPENSATION INFORMATION**

**Item 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER**

The names and positions of all directors and executive officers of the Company are as follows:

Name	Position	Age
<i>Directors</i>		
Jose Eduardo A. Alarilla	Chairman of the Board	74
Luis R. Sarmiento	Director	67
Stephen A. Paradies	Director	69
Michael Ray Aquino	Director	58
Roel Z. Castro	Director	58
Joselito H. Sibayan	Independent Director	66
Valentino S. Bagatsing	Independent Director	66
<i>Officers</i>		
Jose Eduardo A. Alarilla	Chairman of the Board	74
Luis R. Sarmiento	President & CEO	67
Billy G. Torres	SVP-Chief Finance Officer, Treasurer and Compliance Officer	41
Rodulfo A. Palma	VP-Legal and Mine Compliance & Risks	56
Eric C. Andal	VP for Geology & Exploration	49
Emelita C. Fabro	VP-Corporate Administration	63
Silverio Benny J. Tan	Corporate Secretary	68
Jonas S. Khaw	Asst. Corp Secretary	46

The directors of the Company have terms of office for one year or until their successors are elected and qualified.

Profile

Below is the profile of each of the Company's directors and officers.

**Jose Eduardo J. Alarilla**, Chairman of the Board

Jose Eduardo J. Alarilla has been a director of the Company since 2016. He is the Chairman of Mega Equipment International Corp.; Vice Chairman of Bloomberry Resorts Corporation,

a publicly-listed company; President and CEO of Mega Subic Terminal Services, Inc.; and President of Manila Holdings and Management, Inc., LVHI, DEI, Eiffle House, Inc., Alpha Allied Holdings Ltd. and Sureste Properties, Inc. He is also a Director of Bloomberry Resorts and Hotels, Inc., MORE Electric & Power Corporation, Negros Electric & Power Corporation, Bohol Light Company Inc., Primelectric Holdings Inc., MORE and International Cleanenvironment Systems, Inc. He holds a Bachelor of Science in Mechanical Engineering from De La Salle University and Masters in Business Management from the Asian Institute of Management.

**Luis R. Sarmiento**, Director; President & CEO

Luis R. Sarmiento was elected as President & CEO of the Parent Company on June 28, 2019, after having been previously appointed as Senior EVP & COO on October 1, 2018. He was also elected as President of ISRI and MORE on June 28, 2019. Prior to joining the Parent Company, he was the President of Orica Explosives Philippines, Inc., He was also the President of Orica Nitrates, Inc. and a Director of Nitro Asia Company, Inc. A licensed mining engineer, Mr. Sarmiento served as President of the Philippine Mine Safety and Environment Association, President of the Philippine Association of Industrial Explosive, Inc., and Director of the Chamber of Mines of the Philippines. He was conferred as Outstanding Mapuan Awardee in the field of Mining Engineer in 2005., as Outstanding Mining Engineer Awardee by the Philippine Society of Mining Engineer in 2008, and as Outstanding Mining Engineer of the Year Awardee by the Professional Regulation Commission in 2012. Mr. Sarmiento is a graduate of Mapua Institute of Technology with a degree of Bachelor in Science in Mining Engineering in 1979.

**Stephen A. Paradies**, Director

Mr. Paradies has been a director of the Company since 2020. He is a Director of International Container Terminal Services, Inc. (ICTSI), a publicly listed company. He is also a Director of Sureste Properties Inc., ICTSI Warehousing, Inc. and Sociedad Puerto Industrial Aguadulce S.A. Mr. Paradies was formerly the Senior Vice President-Treasurer of Aboitiz & Company, Inc.; a Trustee of Bloomberry Cultural Foundation, Inc.; a Director of Union Properties, Inc.; Prime Metro BMD Corp., and Chairman of NapaGapa Beverages, Inc. MORE Electric & Power Corporation. Negros Electric & Power Corporation, Bohol Light Company Inc., and Primelectric Holdings Inc.

Mr. Paradies received his Bachelor of Science degree, major in Business Management, from the Santa Clara University, California, USA.

**Joselito H. Sibayan**, Independent Director

Joselito H. Sibayan became Independent Director of the Company in June 2014. He is the President and CEO of Mabuhay Capital Corporation, a firm which provides financial advisory services and capital raising solutions to its clients. Prior to forming Mabuhay Capital, he was Vice-Chairman of Investment Banking-Philippines; Philippine Country Manager for Credit Suisse First Boston; and Director of Philippine Postal Savings Bank. He has spent almost three decades in investment banking. He is concurrently a Director of ABCI, a publicly-listed company. He obtained his Masters degree from the University of

California in Los Angeles and his BS Chemical Engineering from De La Salle University-Manila.

**Valentino S. Bagatsing**, Independent Director

Valentino S. Bagatsing became an Independent Director of the Company in 2019. He is the President and Chief Executive Officer of Investment & Capital Corporation of the Philippines (ICCP). He is an Independent Director of Oona Insular Insurance Corporation. He was previously a Principal Investment Officer for the International Finance Corporation (IFC), the private sector investment arm of the World Bank Group. He worked at the World Bank group from June 2006 to April 2019. He has served various senior capacities in Investment, Mortgage and Commercial banking in the Philippines (1993-2006) and in the United States (1982-1992). A Certified Public Accountant, Mr. Bagatsing earned his MBA in Finance at the McLaren School of Business, University of San Francisco and his accounting degree at San Beda College, Manila. He is also a member of the Society of Fellows of the Institute of Corporate Directors (ICD) and the Financial Executives Institute of the Philippines (FINEX).

**Michael Ray B. Aquino**, Director

Mr. Michael Ray B. Aquino has been a director of the Company since 2022. He is the Vice President for Security of Bloomberry Resorts and Hotels Inc. with responsibility over facility security in Solaire Resort and Casino. He started as Deputy Director in 2013 and went up through the organization to his current position in 2019. He is actively involved in coordination and government relations relating to the corporate social responsibility projects of Bloomberry Cultural Foundation, Inc. He is a director of MORE Electric and Power Corporation. Mr. Aquino was an officer in the Philippine National Police (PNP) and its predecessor agency the Philippine Constabulary, after his graduation from the Philippine Military Academy (PMA) in 1988. Among the positions he held in the PNP was Chief Operations Division of the Presidential Anti-Organized Crime Task Force and Deputy Director of PNP Intelligence Group. Mr. Aquino has a Bachelor of Science from PMA, a Master in Government Management from the Pamantasan ng Lungsod ng Maynila, and has units towards Master of Business Management from the University of the Philippines in Visayas- Cebu.

**Roel Z. Castro**, Director (from July 12, 2023)

Mr. Roel Z. Castro is the President and Chief Executive Officer of MORE Electric and Power Corporation, Negros Electric and Power Corporation, Bohol Light Company Inc., and Primelectric Holdings Inc. Previously, he was the President and CEO of ABrown Company Inc. (ABCI), a publicly listed company, President of Palm Thermal Consolidated Holdings Corp., Palm Concepcion Power Corp., Peakpower Energy Inc. and Hydro Link Power Corp. He was a former director of the Company. He finished BS Agricultural Business from UP Los Baños and Master's Degree at Asian Institute of Management.

**Billy G. Torres**, SVP and Chief Financial Officer (effective 1 October 2024), Treasurer and Compliance Officer

A Certified Public Accountant, Mr. Billy G. Torres worked as a senior associate auditor of Isla Lipana & Co. before moving to Apex Maco mines as Comptrollership Head in 2012. He received his Bachelor of Science in Accountancy from Polytechnic University of the Philippines with Latin honors. He is concurrently the Treasurer of MORE and ISRI.

**Rodulfo A. Palma**, VP – Legal, Mine Compliance and Risks

Rodulfo A. Palma was an officer of the Natural Resources Development Corporation when he moved in 2003 to the Philippine Mining Development Corporation, both are GOCC attached to the DENR. He left PMDC in 2009 to engage in law practice and has provided consulting works for firms engaged in mineral exploration and development, agribusiness development and export, before he joined Apex in 2013 as Legal Officer for Maco Operations. From 2016 up to now, he is the President of the Alliance of Responsible Miners of Region XI, and the current President of the Compostela Valley Provincial Business Chamber, and Business Chamber of Maco, Inc. He has finished Bachelor of Arts major in Public Administration and Bachelor of Laws.

**Eric S. Andal**, VP for Geology & Exploration

Dr. Eric S. Andal completed his Undergraduate and Master's degree at the National Institute of Geological Sciences of the University of the Philippines-Diliman and his doctoral degree in Geology, specializing in Geochemistry, at the Graduate School of Natural Science and Technology of Kanazawa University in Ishikawa, Japan. In 2006 he joined Philex Mining Corporation as Senior Geologist and was assigned as Project Manager for Lascogon Mining Corporation and later concurrently as Exploration Project Manager of Silangan Mindanao Mining Co. Inc., both subsidiaries of Philex.. In 2010 he worked with Atok Big-Wedge Company, Inc. as Exploration Geologist engaged in evaluation of local and foreign projects prior to joining Monte Oro Resources and Energy, Inc. (MOREI) as Head of the Exploration Group in Sierra Leone, West Africa. He was later assigned to MOREI's Special Projects team overseeing Paracale Gold Limited, and later Itogon-Suyoc Resources, Inc. where he served as Assistant Vice President for Operations.

**Emelita C. Fabro**, VP – Corporate Administration

Emelita Cruz Fabro began her career in the broadcasting industry and in the academe before moving to Vietnam to work in an NGO. Her involvement in this organization lead to her to a PR role in 2006 for a Canadian Mining company, Olympus Pacific Minerals. In 2009 she returned to the Philippines and joined the Parent Company with a role in the Administration, Community Relations and HR. She later became the HR and Administration Group Manager for Silangan Mindanao Mining Co., Inc. She is a graduate of Bachelor of Mass Communication in Pamantasan ng Lungsod ng Maynila where she also took Masteral Units in Communication and in Education.

**Silverio Benny J. Tan**, Corporate Secretary

Silverio Benny J. Tan holds a Bachelor of Laws degree, *cum laude*, from the University of the Philippines College of Law and a Bachelor of Arts Major in Political Science, *cum laude*, from the University of the Philippines College Iloilo. He placed third in the 1982 Philippine Bar exams. He is an of counsel of, and was a Partner in the law firm of Picazo Buyco Tan Fider & Santos, and at one time its Managing Partner. He is a Director and Corporate Secretary of Razon & Co. Inc., Prime Strategic Holdings Inc., Bravo International Port Holdings Inc., Alpha International Port Holdings Inc., Eiffle House Inc., and Trident Water Company Holdings Inc.. He is also a Director of MORE Electric and Power Corporation, Skywide Assets Ltd., and Dressline Holdings Inc. and its subsidiaries and affiliates. He is the Corporate Secretary of Bloomberry Resorts Corporation (BLOOM), a publicly-listed company, Manila Water Company Inc. (MWC), another publicly listed company, Sureste Properties, Inc., Bloomberry Resorts and Hotels Inc., Lakeland Village Holdings Inc., Devoncourt Estates Inc., OSA Industries Philippines Inc., Pilipinas Golf Tournaments, Inc.,



Bloomberry Cultural Foundation Inc., MORE and ISRI; and Assistant Corporate Secretary of International Container Terminal Services, Inc. (ICTSI), a publicly-listed company.

**Jonas S. Khaw**, Asst. Corp. Secretary

Atty. Khaw is a partner in the law firm Picazo Buyco Tan Fider & Santos. He is the corporate secretary of Medco Holdings, Inc., a publicly listed company, and assistant corporate secretary of Bloomberry Resorts Corporation. Atty. Khaw holds a Juris Doctor and Bachelor of Science in Management Engineering degrees both from the Ateneo de Manila University.

#### Significant Employees

There is no particular employee of the Company not an executive officer expected to make a significant contribution to the business on his own.

#### Family Relationships

There are no family relationships among officers and directors of the Company and its Subsidiaries.

#### Involvement in Certain Legal Proceedings

To the knowledge and information of the Company, none of its present members of the Board of Directors and officers are presently or during the last five years involved in any material proceeding, involving themselves and/or their property before any court of law or administrative body in the Philippines or elsewhere. To the knowledge and information of the Company, none of the members of its Board of Directors and officers has been convicted by final judgment of any offense punishable by laws of the Republic of the Philippines or of the laws of any other country.

### **Item 10. EXECUTIVE COMPENSATION**

The officers of the Company are considered regular employees and are remunerated with a compensation package consisting of a 13-month base pay. They also receive whatever, if any, that the Board of Directors may approve and extend to its managerial, supervisory and R&F employees.

The aggregate compensation paid or incurred in 2024 and 2023, and estimated to be paid in 2025 to the Officers and members of the Board of Directors of the Company are as follows (in millions):

#### CEO and Four Most Highly Compensated Officers as a Group

<u>Year</u>	<u>Salary</u>
2025 (Estimated)	₱52.1
2024	49.6
2023	43.5

#### Aggregate Compensation of All Officers and Directors as a Group

<u>Year</u>	<u>Salary</u>
2025 (Estimated)	₱62.7
2024	60.2
2023	54.1

The aggregate compensation for the CEO and four most highly compensated officers as a group paid in 2024 and 2023 are for Luis R. Sarmiento (CEO), Rodulfo A. Palma, Eric C. Andal, Emelita C. Fabro and Billy G. Torres.

Compensation of Members of the Board of Directors

The members of the Board of Directors of are paid ₱118,000 as per diem for every board meeting (whether regular or special, face-to-face or electronic/virtual) and ₱59,000 as per diem for the Committee meeting (whether regular or special, face-to-face or electronic/virtual) of the board. The Chairman of the Board receives a compensation of ₱500,000 per month. These are provided under the Compensation Policy approved during the annual stockholders meeting held on April 28, 2023. Apart from the foregoing, there are no arrangements regarding their compensation (whether direct or indirect) being as members of the Board of Directors.

Employment Contracts and Termination of Employment and Change-In-Control Arrangements

The contractual relationship between the officers and the Parent Company are as that of an employer-employee. The remuneration the officers received from the Parent Company is solely in the form of salaries and, if any, bonuses.

Warrants and Options Outstanding: Repricing

The directors and officers of the Group do not hold any outstanding warrants or options.

**Item 11. SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS**

As of December 31, 2024, the following beneficially owns at least five percent (5%) of the issued and outstanding common shares of the Parent Company:

Name of Record Owner	Name of Beneficial Owner	Citizenship	No. of Shares	%
Prime Strategic Holdings, Inc.	Enrique K. Razon Jr.	Filipino	3,078,160,622	49.43
MORE Lakeland Village Holdings, Inc.*	MORE Lakeland Village Holdings, Inc.	Filipino	555,133,447	8.91
Devoncourt Estates, Inc.*	Devoncourt Estates, Inc.	Filipino	474,613,599	7.62
			423,904,339	6.81

*\*On March 24, 2022, Prime Strategic Holdings, Inc. (“PSHI”) completed the mandatory tender offer for common shares of the Company as a result of its subscription of shares in Lakeland Village Holdings, Inc. and Devoncourt Estates, Inc. which increases the direct and indirect shareholdings of PSHI to approximately 54.75% of the total issued and outstanding shares of the Company.*

Except for the beneficial owners mentioned above, there is no other person or group known to the Company to be the beneficial owner of more than 5% of its voting securities. There is also no voting trust agreement involving shares of the Company.

## Item 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The number of voting common shares beneficially owned or controlled, directly and indirectly, by the members of the board of directors and named officers as of February 28, 2025 follows:

Name of Beneficial Owner	Citizenship	No. of Shares	%
Jose Eduardo J. Alarilla*	Filipino	1	0.00
Luis R. Sarmiento	Filipino	1	0.00
Stephen A. Paradies	Filipino	550,900	0.01
Joselito H. Sibayan	Filipino	299	0.00
Valentino S. Bagatsing	Filipino	1	0.00
Michael Ray C. Aquino	Filipino	727,000	0.01
Roel C. Castro	Filipino	1,174,753	0.02
Billy G. Torres	Filipino	–	–
Rodulfo A. Palma	Filipino	–	–
Eric S. Andal	Filipino	–	–
Emelita C. Fabro	Filipino	–	–
Silverio Benny J. Tan	Filipino	13,586,747	0.22
Jonas S. Khaw	Filipino	–	–

### CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In the normal course of business, the Company transacted with companies that are considered related parties. A summary of the more significant transactions with related parties is shown in Note 15 of the audited consolidated financial statements for the year ended December 31, 2024.

On December 18, 2024, the Company signed a \$108 million Omnibus Loan and Security Agreement (OLSA) with the local bank to secure the fund for the remaining installments of the 100% share acquisition of AAMRC. The OLSA is secured by AARMC shares.

Other than the corporate guarantee issued by the Company over the bank loan of ISRI, there have been no guarantees provided for any related party receivables and payables. For the years ended December 31, 2024 and 2023, the Company has not made any provision for doubtful accounts relating to amounts owed by related parties. This assessment is undertaken at each financial year through examining the financial position of the related parties and the market in which the related parties operate.

## Part IV – CORPORATE GOVERNANCE

### Item 13. CORPORATE GOVERNANCE

As a publicly-listed Philippine corporation, the Company conforms to the corporate governance rules, requirements, and regulations of the SEC, PSE and all pertinent government regulatory bodies.

The Parent Company filed a copy of its 2023 Integrated Annual Corporate Governance Report (I-ACGR) to the Philippine SEC on May 30, 2024 and is posted in the Company

website. The I-ACGR for 2024 will be filed with the SEC before May 31, 2025 as required by SEC Memorandum Circular 13.

## **Part V – EXHIBITS AND SCHEDULES**

### **Item 14. EXHIBITS AND REPORTS ON SEC FORM 17-C**

#### **A. Exhibits**

- i. Audited Consolidated Financial Statements and Notes for the year ended December 31, 2024
- ii. Supplementary Schedules
- iii. Annex A: Sustainability Report
- iv. Annex B: Mineral Resource Declaration for MPSA-225-2005-XI & MPSA-234-2007-XI
- v. Annex C: Mineral Reserve Declaration for MPSA-225-2005-XI
- vi. Annex D: Mineral Reserve Declaration for MPSA-234-2007-XI

#### **B. Reports on SEC Form 17-C in 2024**

Date Filed	Particulars
January 3	Change in Shareholdings of Directors and Principal Officers
January 26	Material Information/Transactions
February 7	Material Information/Transactions
February 12	Material Information/Transactions
March 11	Postponement of Annual Stockholders' Meeting
March 11	Notice of Annual or Special Stockholders' Meeting
April 16	Press Release: Apex Mining Net Income in 2023 Up Six Percent to P3.5B
April 16	Declaration of Cash Dividends
April 16	Declaration of Cash Dividends
May 7	Press Release: Apex Mining Posts 55% Net Income Growth in Q1
June 3	Results of Annual or Special Stockholders' Meeting
June 3	Results of Organizational Meeting of Board of Directors
August 14	Press Release: Apex Mining 1H 2024 Consolidated Net Income up 35%
August 21	Change in Shareholding of Directors and Principal Officers
November 14	Press Release: Apex Mining Reports P1.31B 3Q 2024 Consolidated Income
December 9	Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion)
December 19	Material Information/Transactions

**SIGNATURES**

Pursuant to the requirement of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on March 19, 2025.

By:



**LUIS R. SARMIENTO**  
President & CEO



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



**SILVERIO BENNY J. TAN**  
Corporate Secretary

**MAR 19 2025**

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

<u>Names</u>	<u>Passport No</u>	<u>Date and Place of Issue</u>
Luis R. Sarmiento	P80058718	10/27/2021 DFA Manila
Silverio Benny J. Tan	P4294418B	01/04/2020 DFA NCR East
Billy G. Torres	P6369014A	03/10/2018 DFA NCR North

Doc No. 17  
Page No. 13  
Book No. 19  
Series of 2025

**FERDINAND D. AYAHAO**  
*Notary Public*

For and in Pasig City and the Municipality of Pateros  
Appointment No. 96 (2024-2025) valid until 12/31/2025  
MCLE Exception No. VIII-BEF003234, until 04/14/28  
Roll No. 46377; IBF LRN 02459; OR 535886; 06/21/2001  
TIN 123-011-785; PTR 2831461AA; 01/03/25; Pasig City  
U-5, G/F West Tower PSE, Exchange Road  
Ortigas Center, Pasig City Tel.+632-86314090



**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, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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


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

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

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

  
\_\_\_\_\_  
**JOSE EDUARDO J. ALARILLA**  
Chairman of the Board

  
\_\_\_\_\_  
**LUIS R. SARMIENTO**  
President & Chief Executive Officer

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

Signed this 17<sup>th</sup> day of March 2025



# APEX MINING CO., INC.

Masara, Maco, Davao de Oro



28 MAR 2025

SUBSCRIBED AND SWORN to before this \_\_\_\_\_, 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. 496  
Page No. 101  
Book No. 57  
Series of 2025

PASIG CITY

**FERDINAND D. AYAHAO**

*Notary Public*

For and in Pasig City and the Municipality of Pateros  
Appointment No. 96 (2024-2025) valid until 12/31/2025  
MCLE Exemption No. VI-1-BEP003234, until 04/14/26  
Roll No. 46377; IBP LRN 02459; OR 535886; 06/21/2001  
TIN 123-011-785; PTR 2831461AA; 01/03/25; Pasig City  
U-5, G/F West Tower PSE, Exchange Road  
Ortigas Center, Pasig City Tel. +632-26334090

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Pepe Gaspar <pcgaspar@apexmining.com>

Wed, Mar 19, 2025 at 6:36 PM

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

*For your reference.*



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

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

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Hi APEX MINING CO., INC.,

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

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

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

# COVER SHEET

for

## AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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**COMPANY NAME**

A	P	E	X		M	I	N	I	N	G		C	O	.	,		I	N	C	.		A	N	D		S	U	B	S
I	D	I	A	R	I	E	S																						

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

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

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

**COMPANY INFORMATION**

Company's Email Address <b>Corpsec@apexmining.com</b>	Company's Telephone Number <b>8706-2805</b>	Mobile Number <b>+63 908 893 7925</b>
No. of Stockholders <b>2,744</b>	Annual Meeting (Month / Day) <b>4/30</b>	Fiscal Year (Month / Day) <b>12/31</b>

**CONTACT PERSON INFORMATION**

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

Name of Contact Person <b>Billy G. Torres</b>	Email Address <b>bgtorres@apexmining.com</b>	Telephone Number/s <b>8706-2805</b>	Mobile Number <b>+639088937925</b>
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**CONTACT PERSON'S ADDRESS**

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

**NOTE 1:** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.  
**2:** All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

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

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

### Basis for Opinion

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

### Key Audit Matters

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

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment



of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

### ***Recoverability of Deferred Exploration Costs***

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

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

### ***Audit Response***

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

### **Other Information**

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

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



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

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

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

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

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

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

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

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

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



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

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

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

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



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

SYCIP GORRES VELAYO & CO.

*Jose Pepito E. Zabat*

Jose Pepito E. Zabat III

Partner

CPA Certificate No. 85501

Tax Identification No. 102-100-830

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

BIR Accreditation No. 08-001998-060-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10465410, January 2, 2025, Makati City

March 17, 2025



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

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

See accompanying Notes to Consolidated Financial Statements.





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

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

*See accompanying Notes to Consolidated Financial Statements.*



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

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

*See accompanying Notes to Consolidated Financial Statements.*



**APEX MINING CO., INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, AND 2022**

Attributable to Equity Holders of the Parent Company

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

Attributable to Equity Holders of the Parent Company

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



Attributable to Equity Holders of the Parent Company

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

See accompanying Notes to Consolidated Financial Statements.



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

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

See accompanying Notes to Consolidated Financial Statement



# **APEX MINING CO., INC. AND SUBSIDIARIES**

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## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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

#### Corporate Information

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

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

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

#### *Acquisition of AAMRC*

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

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



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

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

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

\*Eliminated at consolidated financial statements.

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

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

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

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

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

#### Status of Operations

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

##### a. Mining

###### *Maco Mines*

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



### *ISO Certification*

The Maco mine has three (3) certifications:

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

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

### *Itogon and Suyoc Mines*

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

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

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

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

### *Paracale Gold Project*

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

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

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





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

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

#### *Mongolia Project*

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

#### *Sierra Leone and Uganda Projects*

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

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

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

#### *Myanmar Project*

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

#### *North Davao Project*

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

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



b. Oil and Gas

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

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

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

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

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

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

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



c. Solid Waste Management

MORE owns 52% of International 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, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, were authorized for issuance by the Parent Company's Board of Directors (BOD) on March 17, 2025.

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

Basis of Preparation

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

Statement of Compliance

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

Basis of Consolidation

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

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

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

\*Indirect ownership through PGL



### New Standards, Interpretations and Amendments

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

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

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*  
The amendments clarify:
  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
  
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*  
The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.
  
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*  
The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

### Standards Issued but not yet Effective

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

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026

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

### Material Accounting Policy Information and Financial Reporting Policies

#### Presentation of Consolidated Financial Statements

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



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

#### Financial Instruments – Initial Recognition and Subsequent Measurement

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

#### Financial Assets

##### *Initial Recognition and Measurement*

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

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

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

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

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

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

##### *Subsequent Measurement*

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

##### *Financial Assets at Amortized Cost (Debt Instruments)*

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

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



#### *Business Model Assessment*

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

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

#### *The SPPI test*

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

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

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

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

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

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

#### *Financial Assets Designated at FVOCI (Equity Instruments)*

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

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

#### Financial Liabilities

##### *Initial recognition and measurement*

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



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

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

#### *Subsequent Measurement*

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

#### Impairment of Financial Assets

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

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

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

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

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

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



## Derecognition of Financial Assets and Financial Liabilities

### *Financial Assets*

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

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

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

### *Financial Liabilities*

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

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

## Offsetting of Financial Instruments

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

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

## Fair Value Measurement

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





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

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

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

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

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

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

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

### 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.

#### Assets Held-for-Sale and Discontinued Operations

The Group classifies noncurrent assets and disposal groups as held-for-sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Noncurrent assets and disposal groups classified as held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.



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

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

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

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

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

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

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

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

#### Property, Plant, and Equipment

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

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

Valuations are performed frequently enough to ensure that the fair value of a revalued property, plant and equipment does not significantly differ from its carrying amount. Any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount. The



increase of the carrying amount of an asset as a result of a revaluation is credited directly to OCI, unless it reverses a revaluation decrease previously recognized as an expense, in which case it is credited in profit or loss. A revaluation decrease is charged directly against any related revaluation surplus, with any excess being recognized as an expense in profit or loss.

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

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

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

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

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

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

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

#### *Development Costs and Mine and Mining Properties*

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

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



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

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

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

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

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

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

#### Deferred Exploration Costs

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

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

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

#### Intangible Assets

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

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



#### Other Noncurrent Assets

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

#### *Value-added Tax (VAT)*

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

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

#### Impairment of Nonfinancial Assets

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

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

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

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



#### *Deferred Exploration Costs*

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

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

#### Interest in Joint Arrangements

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

#### *Joint Operations*

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

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

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

#### Provision for Mine Rehabilitation and Decommissioning

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

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

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



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

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

#### Retirement Benefits Costs

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

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

Defined benefit costs comprise the following:

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

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

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

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





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

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

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

#### Treasury Shares

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

#### Earnings Per Share

##### *Basic*

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

##### *Diluted*

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

#### Revenue Recognition from Mine Products

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

#### *Interest Income*

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

#### Costs and Expenses

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



#### *Cost of Production*

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

#### *Excise Taxes*

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

#### *General and Administrative Expenses*

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

#### Borrowing Cost

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

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

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

#### Income Taxes

##### *Current Income Tax*

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

##### *Deferred Income Tax*

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

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



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

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

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

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

#### *Uncertainty over income tax treatments*

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

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

#### Operating Segments

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

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

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

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



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

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### 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, 2024 and 2023, the Group's joint arrangement is in the form of joint operation.

#### Accounting Estimates and Assumptions

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

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

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

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

#### *Valuation of Financial Assets at FVOCI*

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

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



*Estimation of Allowance for Inventory Losses and Obsolescence*

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

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

*Assessment of the Recoverability of Deferred Exploration Costs*

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

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

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

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

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

*Estimation of Depletion Rate*

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



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

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

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

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

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

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

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

*Estimation of Provision for Retirement Benefits*

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



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

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

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

#### *Estimation of Provision for Mine Rehabilitation and Decommissioning*

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

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

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

#### *Assessment on Provisions and Contingencies*

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

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

#### *Assessment of Realizability of Deferred Income Tax Assets*

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





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

#### 4. Cash and cash equivalents

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

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

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

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

#### 5. Trade and Other Receivables

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

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

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

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

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



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

## 6. Inventories

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

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

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

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

	2024	2023
Beginning balances	<b>₱47,702,461</b>	₱85,025,491
Provision	<b>101,402,941</b>	-
Reversal	-	(37,323,030)
Ending balances	<b>₱149,105,402</b>	₱47,702,461

## 7. Other Current Assets

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

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

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

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



## 8. Assets Held-for-Sale

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

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

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

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

## 9. Financial Assets Measured at FVOCI

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

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

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

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

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



10. Property, Plant and Equipment

	2024							
	Buildings and improvements	Mining and milling equipment	Power equipment	Roads and bridges, and land improvements	Exploration equipment and others	Mine and mining properties	Construction in-progress	Total
<b>At revalued amounts:</b>								
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)
<b>Balances at end of year</b>	<b>713,543,002</b>	<b>10,518,190,676</b>	<b>947,972,274</b>	<b>1,391,951,834</b>	<b>865,361,097</b>	<b>12,985,527,181</b>	<b>2,492,097,244</b>	<b>29,914,643,308</b>
<b>Accumulated depreciation and depletion:</b>								
Balances at beginning of year	353,396,308	6,005,950,952	654,429,788	856,860,219	426,319,995	4,513,798,267	–	12,810,755,529
Depreciation and depletion (Note 24)	69,091,375	912,187,058	56,184,817	75,915,382	81,439,194	302,998,397	–	1,497,816,223
Reclassifications/Transfers	–	(17,669,440)	–	–	–	–	–	(17,669,440)
<b>Balances at end of year</b>	<b>422,487,683</b>	<b>6,900,468,570</b>	<b>710,614,605</b>	<b>932,775,601</b>	<b>507,759,189</b>	<b>4,816,796,664</b>	<b>–</b>	<b>14,290,902,312</b>
<b>Allowance for impairment:</b>								
Balances at beginning and end of year	286,367	3,318,744	–	159,229,430	425,535	–	340,878,840	504,138,916
<b>Net book values</b>	<b>₱290,768,952</b>	<b>₱3,614,403,362</b>	<b>₱237,357,669</b>	<b>₱299,946,803</b>	<b>₱357,176,373</b>	<b>₱8,168,730,517</b>	<b>₱2,151,218,404</b>	<b>₱15,119,602,080</b>



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



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

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

Movement in revaluation surplus in equity is as follows:

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

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



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

2024								
	Buildings and improvements	Mining and milling equipment	Power equipment	Roads and bridges and land improvements	Exploration equipment, and others	Mine and mining properties	Construction in-progress	Total
<b>At cost:</b>								
Balances at end of year	₱669,810,912	₱11,020,318,168	₱1,024,895,838	₱1,363,586,740	₱916,200,833	₱12,985,527,183	₱2,278,653,969	₱30,258,993,643
<b>Accumulated depreciation and depletion:</b>								
Balances at end of year	433,792,428	7,348,427,353	728,967,926	960,072,261	568,662,528	4,816,796,663	-	14,856,719,159
<b>Allowance for impairment:</b>								
Balances at end of year	286,367	3,318,744	-	159,229,430	425,535	-	340,878,840	504,138,916
<b>Net book values</b>	<b>₱235,732,117</b>	<b>₱3,668,572,071</b>	<b>₱295,927,912</b>	<b>₱244,285,049</b>	<b>₱347,112,770</b>	<b>₱8,168,730,520</b>	<b>₱1,937,775,129</b>	<b>₱14,898,135,568</b>
2023								
	Buildings and improvements	Mining and milling equipment	Power equipment	Roads and bridges and land improvements	Exploration equipment, and others	Mine and mining properties	Construction in-progress	Total
<b>At cost:</b>								
Balances at end of year	₱586,222,331	₱9,505,757,437	₱829,943,406	₱1,227,834,220	₱792,458,703	₱11,750,446,167	₱2,050,571,713	₱26,743,233,977
<b>Accumulated depreciation and depletion:</b>								
Balances at end of year	368,875,742	6,475,221,620	675,255,431	886,168,027	490,025,099	4,513,798,267	-	13,409,344,186
<b>Allowance for impairment:</b>								
Balances at end of year	286,367	3,318,744	-	159,229,430	425,535	-	340,878,840	504,138,916
<b>Net book values</b>	<b>₱217,060,222</b>	<b>₱3,027,217,073</b>	<b>₱154,687,975</b>	<b>₱182,436,763</b>	<b>₱302,008,069</b>	<b>₱7,236,647,900</b>	<b>₱1,709,692,873</b>	<b>₱12,829,750,875</b>



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

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

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

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

	2024				
	Depletable		Subtotal	Mine development cost	Total
	Mine and mining properties	Mine rehabilitation assets			
<b>Cost:</b>					
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)	–
<b>Balances at end of year</b>	<b>8,111,891,184</b>	<b>29,259,674</b>	<b>8,141,150,858</b>	<b>4,844,376,323</b>	<b>12,985,527,181</b>
<b>Accumulated depletion:</b>					
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
<b>Balances at end of year</b>	<b>4,790,009,284</b>	<b>26,787,380</b>	<b>4,816,796,664</b>	<b>–</b>	<b>4,816,796,664</b>
<b>Net book values</b>	<b>₱3,321,881,900</b>	<b>₱2,472,294</b>	<b>₱3,324,354,194</b>	<b>₱4,844,376,323</b>	<b>₱8,168,730,517</b>

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

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

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





## 11. Deferred Exploration Costs

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

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

### *Mining Rights*

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

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

## 12. Intangible Assets

	2024		
	Franchise	Computer Software	Total
<b>Cost:</b>			
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
<b>Accumulated amortization:</b>			
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
<b>Allowance for impairment:</b>			
Balances at beginning and end of year	192,202,964	–	192,202,964
<b>Net book values</b>	<b>₱–</b>	<b>₱9,629,201</b>	<b>₱9,629,201</b>



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

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

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

### 13. Other Noncurrent Assets

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

#### *Advances for Royalties*

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

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

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

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



*Input VAT*

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

*Advance to GMU*

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

*Advance for Land Acquisition*

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

*MRF*

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

*Nontrade receivable*

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

*Others*

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

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**14. Trade and Other Payables**

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

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



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

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

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

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

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

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

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

## 15. Related Party Disclosures

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

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

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



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

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

#### Trustee Bank

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

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

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

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

#### Compensation of Key Management Personnel

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

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## 16. Provision for Retirement Benefits

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



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

The details of retirement benefits costs follow:

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

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

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

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



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

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

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

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

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

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

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

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

	Increase (decrease)	2024
Discount rates	7.10%	(₱18,854,421)
	(5.10%)	₱22,103,815
	Increase (decrease)	2023
Discount rates	7.13%	(₱17,686,614)
	(5.13%)	₱20,756,654



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

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

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

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

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

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

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

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

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

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





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

## 18. Loans Payable

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

### *PNB*

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

#### *BOC*

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

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

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

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



*RCBC*

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

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

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

*UBP*

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

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

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

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

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

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

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



## 19. Equity

### Capital stock

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

### Record of Registration of Securities with the SEC

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

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

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

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



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

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

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

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

#### APIC

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

#### Retained earnings

Movements in the retained earnings are as follows:

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

#### *Dividends*

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

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



NCI

NCI consists of the following:

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

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

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

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

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

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

## 20. Basic/Diluted Earnings Per Share

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

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

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



## 21. Cost of Production

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

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

The amounts were distributed as follows:

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

## 22. General and Administrative Expenses

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





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

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

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

### 24. Depreciation, Depletion and Amortization

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

The amounts were distributed as follows:

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

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

### 25. Personnel Costs

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



The amounts were distributed as follows:

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

## 26. Finance Costs

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

## 27. Income Tax

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

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

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

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

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



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

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

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

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

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



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

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

The movements of NOLCO are as follows:

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

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

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

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

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

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

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

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

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



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

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

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

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

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

### Financial Risk Management Objectives and Policies

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

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

#### *Credit Risk*

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

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



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

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

*Credit risk under general and simplified approach*

	2024				
	General Approach			Simplified Approach	Total
	Stage 1	Stage 2	Stage 3		
Cash with banks and cash equivalents	₱3,201,158,327	₱-	₱-	₱-	₱3,201,158,327
Receivables:					-
Trade	1,229,808,874	-	-	-	1,229,808,874
Others	28,502,862	-	21,989,828	-	50,492,690
Advances to related parties	2,304,109	-	-	-	2,304,109
Other noncurrent assets:					-
Advance to GMU	-	-	112,129,250	-	112,129,250
Nontrade receivable	-	-	75,517,940	-	75,517,940
MRF	-	-	28,298,187	-	28,298,187
Financial asset measured at FVOCI	7,000,000	-	344,640,000	-	351,640,000
	<b>₱4,468,774,172</b>	<b>-</b>	<b>₱582,575,205</b>	<b>₱-</b>	<b>₱5,051,349,377</b>
	2023				
	General Approach			Simplified Approach	Total
	Stage 1	Stage 2	Stage 3		
Cash with banks and cash equivalents	₱1,342,059,132	₱-	₱-	₱-	₱1,342,059,132
Receivables:					-
Trade	841,448,673	-	-	-	841,448,673
Others	18,132,974	-	21,989,828	-	40,122,802
Advances to related parties	2,304,109	-	-	-	2,304,109
Other noncurrent assets:					-
Advance to GMU	112,150,750	-	-	-	112,150,750
Nontrade receivable	-	-	75,517,940	-	75,517,940
MRF	28,539,254	-	-	-	28,539,254
Financial asset measured at FVOCI	7,000,000	-	344,640,000	-	351,640,000
	<b>₱2,351,634,892</b>	<b>₱-</b>	<b>₱442,351,122</b>	<b>₱-</b>	<b>₱2,793,536,014</b>

Liquidity Risk

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

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



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

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

2024	On demand	Less than three (3) months	Three (3) to 12 months	More than 12 months	Total
<b>Cash and cash equivalents</b>	<b>₱3,201,158,327</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱3,201,158,327</b>
<b>Receivables:</b>					
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
<b>Other noncurrent assets:</b>					
Advance to GMU	-	-	-	112,129,250	112,129,250
MRF	-	-	-	28,298,187	28,298,187
Nontrade receivable	-	-	-	75,517,940	75,517,940
<b>Financial asset measured at FVOCI</b>	<b>7,000,000</b>	<b>-</b>	<b>-</b>	<b>344,640,000</b>	<b>351,640,000</b>
	<b>₱4,544,292,112</b>	<b>₱-</b>	<b>₱-</b>	<b>₱507,057,265</b>	<b>₱5,051,349,377</b>

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

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



*Foreign Currency Risk*

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

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

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

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

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

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

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

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

*Commodity Price Risk*

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





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

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

### Capital Management

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

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

The Group considers the following as its core economic capital:

	2024	2023
Issued capital stock	<b>₱6,227,887,491</b>	₱6,227,887,491
APIC	<b>634,224</b>	634,224
Treasury shares	<b>(2,081,746,680)</b>	(2,081,746,680)
	<b>₱4,146,775,035</b>	₱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, 2024 and 2023 are classified under Level 1 of the fair value hierarchy since these are based on quoted market prices. Unquoted equity instruments are classified under Level 3 of the fair value hierarchy since these are based on significant unobservable inputs.



*Property, Plant, and Equipment*

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

	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 (Note 9)</i>	<b>2024</b>	<b>₱7,000,000</b>	<b>₱7,000,000</b>	<b>₱-</b>	<b>₱-</b>
	2023	7,000,000	7,000,000	-	-
<i>Property, plant, and equipment (Note 10)</i>	<b>2024</b>	<b>₱15,119,602,080</b>	<b>₱-</b>	<b>₱-</b>	<b>₱15,119,602,080</b>
	2023	13,083,989,196	-	-	13,083,989,196

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

*MRF, Advance to GMU, Loans Payable, Financial Liability*

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

### 30. Significant Agreements, Provisions and Contingencies

*Parent Company*

*a. Agreement with Indigenous Cultural Communities (ICC) and National Commission on Indigenous Peoples (NCIP) pursuant to Republic Act 8371*

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

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

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



*b. Operating Lease Agreement*

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

*c. Refining and Transportation Agreement with Heraeus*

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

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

*MORE*

*d. Heads of Agreement with Forum*

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

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

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### 31. Operating Segments

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

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

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



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

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

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

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

2024					
	Mining	Oil and gas	Solid waste management	Eliminations	Total
<b>Revenue</b>					
External customer	₱15,142,201,879	₱–	₱–	₱–	₱15,142,201,879
Inter-segment	–	–	–	–	–
<b>Consolidated revenue</b>	<b>₱15,142,201,879</b>	<b>₱–</b>	<b>₱–</b>	<b>₱–</b>	<b>₱15,142,201,879</b>
<b>Results</b>					
EBITDA	7,870,363,965	84,464,281	(150,524)	(45,206,182)	7,909,471,540
Interest income					
(expense) - net	(597,250,965)	2,438,310	–	–	(594,812,655)
Income tax expense	(1,115,271,735)	(1,321,315)	–	–	(1,116,593,050)
Depreciation and depletion	(1,434,324,379)	(2,882,343)	–	–	(1,437,206,722)
Nonrecurring items	(436,200,586)	–	–	–	(436,200,586)
<b>Consolidated net income (loss)</b>	<b>₱4,287,316,300</b>	<b>₱82,698,933</b>	<b>(150,524)</b>	<b>(45,206,182)</b>	<b>₱4,324,658,527</b>
<b>Consolidated total assets</b>	<b>₱28,485,570,669</b>	<b>₱3,547,356,251</b>	<b>₱58,735,550</b>	<b>₱–</b>	<b>₱32,091,662,470</b>
<b>Consolidated total liabilities</b>	<b>₱13,250,339,090</b>	<b>₱359,586,791</b>	<b>₱2,710,795</b>	<b>₱–</b>	<b>₱13,612,636,676</b>
2023					
	Mining	Oil and gas	Solid waste management	Eliminations	Total
<b>Revenue</b>					
External customer	₱12,075,094,595	₱–	₱–	₱–	₱12,075,094,595
Inter-segment	–	–	–	–	–
<b>Consolidated revenue</b>	<b>₱12,075,094,595</b>	<b>₱–</b>	<b>₱–</b>	<b>₱–</b>	<b>₱12,075,094,595</b>
<b>Results</b>					
EBITDA	6,331,722,049	74,450,061	(75,746,235)	(29,766,811)	6,300,659,064
Interest income (expense)					
- net	(561,699,080)	2,433,596	–	–	(559,265,484)
Income tax expense	(708,291,493)	(2,005,185)	–	–	(710,296,678)
Depreciation and depletion	(1,302,903,686)	(2,519,736)	–	–	(1,305,423,422)
Nonrecurring items	(352,938,994)	–	–	–	(352,938,994)
<b>Consolidated net income (loss)</b>	<b>₱3,405,888,796</b>	<b>₱72,358,736</b>	<b>(₱75,746,235)</b>	<b>(₱29,766,811)</b>	<b>₱3,372,734,486</b>
<b>Consolidated total assets</b>	<b>₱23,592,537,751</b>	<b>₱3,415,238,712</b>	<b>₱58,735,550</b>	<b>₱–</b>	<b>₱27,066,512,013</b>
<b>Consolidated total liabilities</b>	<b>₱12,101,076,245</b>	<b>₱356,707,826</b>	<b>₱2,560,271</b>	<b>₱–</b>	<b>₱12,460,344,342</b>



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

### 32. Supplemental Disclosure to Consolidated Statements of Cash Flows

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

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

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

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

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

### 33. Subsequent Events

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

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



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

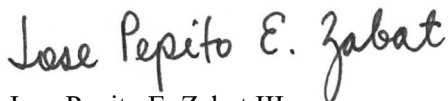


## **INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES**

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Apex Mining Co., Inc. and its subsidiaries (the Group) as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated March 17, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Jose Pepito E. Zabat III  
Partner

CPA Certificate No. 85501

Tax Identification No. 102-100-830

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

BIR Accreditation No. 08-001998-060-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10465410, January 2, 2025, Makati City

March 17, 2025

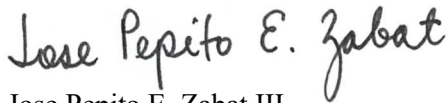


## **INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Apex Mining Co., Inc. and its subsidiaries (the Group) as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated March 17, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Jose Pepito E. Zabat III

Partner

CPA Certificate No. 85501

Tax Identification No. 102-100-830

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

BIR Accreditation No. 08-001998-060-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10465410, January 2, 2025, Makati City

March 17, 2025





## **APEX MINING CO., INC. AND SUBSIDIARIES**

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### **INDEX TO SUPPLEMENTARY SCHEDULES**

**FOR THE YEAR ENDED DECEMBER 31, 2024**

- Annex I: Reconciliation of Retained Earnings Available for Dividend Declaration
- Annex II: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered
- Annex III: Supplementary Schedules Required by Annex 68-J
- Schedule A. Financial Assets
  - Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
  - Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
  - Schedule D. Long-term Debt
  - Schedule E. Indebtedness to Related Parties
  - Schedule F. Guarantees of Securities of Other Issuers
  - Schedule G. Capital Stock

**ANNEX I**  
**RECONCILIATION OF RETAINED EARNINGS**  
**AVAILABLE FOR DIVIDEND DECLARATION**  
**As of December 31, 2024**

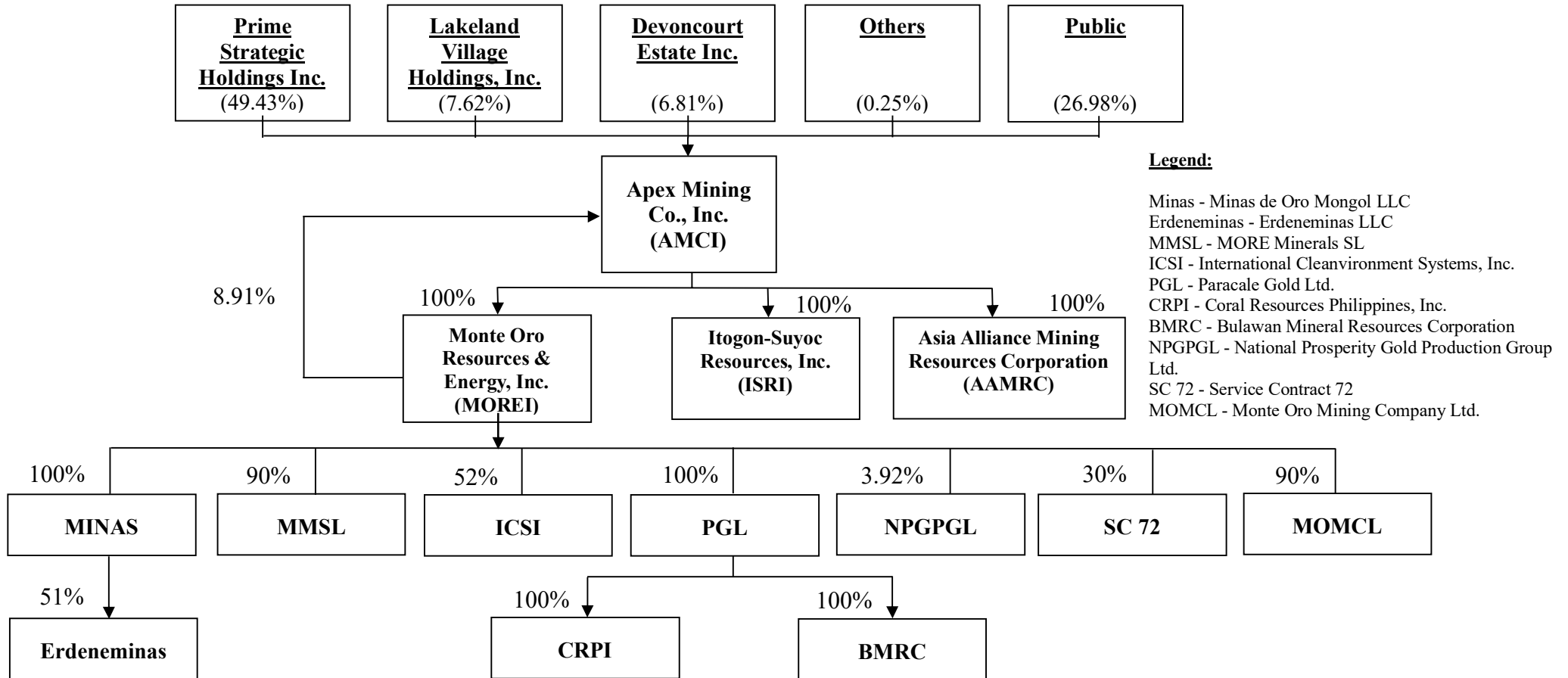
**APEX MINING CO., INC. AND SUBSIDIARIES**  
**3304B West Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City**

<b>Unappropriated Retained Earnings, beginning of reporting period</b>	<b>₱11,833,387,845</b>
<b>Add: <u>Category A:</u> Items that are directly credited to Unappropriated Retained Earnings</b>	
Reversal of Retained Earnings Appropriation/s	–
Effect of restatements or prior-period adjustments	–
Others (describe nature)	–
	–
<b>Less: <u>Category B:</u> Items that are directly debited to Unappropriated Retained Earnings</b>	
Dividend declaration during the reporting period	(507,155,562)
Retained Earnings appropriated during the reporting period	–
Effect of restatements or prior-period adjustments	–
Others (describe nature)	–
	(507,155,562)
<b>Unappropriated Retained Earnings, as adjusted</b>	<b>11,326,232,283</b>
<b>Add/Less: Net Income for the current year</b>	<b>4,332,526,161</b>
<b>Less: <u>Category C.1:</u> Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>	
Equity in net income of associate/joint venture, net of dividends declared	–
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(30,285,525)
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–
Unrealized fair value gain of Investment Property	–
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	–
Subtotal	(30,285,525)
<b>Add: <u>Category C.2:</u> Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)</b>	
Realized foreign exchange gain, except those attributable to Cash and Cash Equivalents	36,363,000
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–
Realized fair value gain of Investment Property	–

(Forward)

Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	—
Subtotal	<u>36,363,000</u>
<b>Add: <u>Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)</u></b>	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	—
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
Reversal of previously recorded fair value gain of Investment Property	—
Reversal of other unrealized gains or adjustments to the retained Earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	—
Subtotal	<u>—</u>
<b>Adjusted Net Income/Loss</b>	<b><u>15,664,835,919</u></b>
<b>Add: <u>Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)</u></b>	
Depreciation on revaluation increment (after tax)	24,578,857
Subtotal	<u>24,578,857</u>
<b>Add/Less: <u>Category E: Adjustments related to relief granted by the SEC and BSP</u></b>	
Amortization of the effect of reporting relief	—
Total amount of reporting relief granted during the year	—
Others (describe nature)	—
Subtotal	<u>—</u>
<b>Add/Less: <u>Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution</u></b>	
Net movement of treasury shares (except for reacquisition of redeemable shares)	—
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(59,527,659)
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	(721,709)
Adjustment due to deviation from PFRS/GAAP - gain (loss)	—
Others (describe nature)	—
Subtotal	<u>(60,249,368)</u>
<b>Total Retained Earnings, end of the reporting period available for dividend</b>	<b><u>₱15,629,165,408</u></b>

**APEX MINING CO., INC. AND SUBSIDIARIES**  
**A MAP SHOWING THE RELATIONSHIP BETWEEN THE PARENT COMPANY**  
**AND ITS SUBSIDIARIES**  
**PURSUANT TO REVISED SRC RULE 68, AS AMENDED**  
**DECEMBER 31, 2024**



**ANNEX III**  
**APEX MINING CO., INC. AND SUBSIDIARIES**  
**SCHEDULE A**  
**FINANCIAL ASSETS**  
**December 31, 2024**  
**(Amounts in Thousands, Except Number of Shares)**

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Income received and accrued
Cash and cash equivalents		₱3,201,158	₱11,334
Receivables:			
Trade		1,229,809	–
Others		50,493	–
Advances to related parties		2,304	–
Other noncurrent assets:			
Advance to GMU		112,129	–
MRF		28,298	141
Nontrade receivable		75,271	–
Financial asset measured at FVOCI			
NPGPGL	555,133,447	344,640	–
BCC	1	7,000	–
		<b>₱5,051,102</b>	<b>₱11,475</b>

**APEX MINING CO., INC. AND SUBSIDIARIES**  
**SCHEDULE B**  
**AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL**  
**STOCKHOLDERS (OTHER THAN RELATED PARTIES)**  
**December 31, 2024**

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
Stockholders	₱75,517,940	₱–	₱–	₱–	₱–	₱75,517,940	₱75,517,940
Officers and employees	50,484,014	–	(14,285,669)	–	36,198,345	–	36,198,345
MORE Coal	1,186,593	–	–	–	1,186,593	–	1,186,593
MORE Oil and Gas	603,126	–	–	–	603,126	–	603,126
MORE Reedbank	514,390	–	–	–	514,390	–	514,390
	₱128,306,063	₱–	(₱14,285,669)	₱–	₱38,502,454	₱75,517,940	₱114,020,394

**APEX MINING CO., INC. AND SUBSIDIARIES**  
**SCHEDULE C**  
**AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED**  
**DURING CONSOLIDATION OF FINANCIAL STATEMENTS**  
**December 31, 2024**  
**(Amounts in Thousands)**

Name and Designation of Debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
AAMRC	₱1,750,419	₱394,319	₱–	₱–	₱–	₱2,144,738	₱2,144,738
ISRI	1,638,064	217,947	–	–	1,856,011	–	1,856,011
MORE	471,932	15,286	–	–	–	487,218	487,218
CRPI	263,157	1,219	–	–	–	264,376	264,376
BMRC	5,309	–	–	–	–	5,309	5,309
	₱4,128,881	₱628,771	₱–	₱–	₱1,856,011	₱2,901,641	₱4,757,652

**APEX MINING CO., INC. AND SUBSIDIARIES**  
**SCHEDULE D**  
**LONG TERM DEBT**  
**December 31, 2024**  
**(Amounts in Thousands)**

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt"	Amount shown caption "Long-term Debt"
Long-term financial liability	₱3,591,598 <sup>1</sup>	₱925,573	₱2,172,479
Omnibus loan and security	1,966,730 <sup>2</sup>	–	1,966,730
Omnibus loan and security	1,966,730 <sup>2</sup>	–	1,966,730
Term Loan Facility	2,000,000 <sup>3</sup>	262,648	503,409
Term Loan Facility	500,000 <sup>4</sup>	100,000	175,000

Note:

- On February 10, 2023, AMCI purchased 1,900,000 shares representing 100% ownership of Asia Alliance Mining Resources Corporation (AMMRC) for US\$81.50 million or ₱3.89 billion where US\$5.50 million or ₱301.55 million is payable upon execution and US\$76 million or ₱3.59 billion shall be paid in 4 equal installments for the next four (4) years starting on the first anniversary of Deed of Absolute Sale (DOAS) and every year thereafter.
- On December 18, 2024, AMCI 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 Asia-Alliance Mining Resources Corp. (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. On December 20, 2024, the AMCI drew the initial amount of \$34 million each from PNB and BOC.
- On September 13, 2019, PNB granted AMCI a Term Loan Facility of up to ₱2.00 billion with tenor of eight (8) years with equal quarterly principal repayment was obtained to finance the Parent Company's capital expenditures. On September 26 and December 12, 2019, Parent Company drew the first and second tranches amounting to ₱500.00 million each with the interest rate of 6.5% per annum. In 2020, the Parent Company drew the third to sixth tranches amounting to ₱500.0 million each with the same interest rate of 6.5% per annum.
- In May 2022, the Philippine National Bank granted ISRI a Term Loan Facility of up to ₱500.00 million with tenor of five (5) years with equal quarterly principal repayment to finance ISRI's 400-tonne per day development program. 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.



**APEX MINING CO., INC. AND SUBSIDIARIES**  
**SCHEDULE E**  
**INDEBTEDNESS TO RELATED PARTIES**  
**December 31, 2024**

Name of the Related Party

Balance at beginning of period

Balance at end of period

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<b>NOT APPLICABLE</b>
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**APEX MINING CO., INC. AND SUBSIDIARIES**  
**SCHEDULE F**  
**GUARANTEES OF SECURITIES OF OTHER ISSUERS**  
**December 31, 2024**  
**(Amounts in Thousands)**

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owed by person for which statement is filed	Nature of guarantee
ISRI	Debt Security - Debenture	₱375,000	₱375,000	Unconditionally and irrevocably, jointly and severally

**APEX MINING CO., INC. AND SUBSIDIARIES**  
**SCHEDULE G**  
**CAPITAL STOCK**  
**December 31, 2024**

Title of Issue	Number of Shares Authorized	Number of shares issued and outstanding as shown under related financial position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common	12,800,000,000	6,227,887,491	–	4,531,812,007	16,059,702	1,680,015,782

**APEX MINING CO., INC. AND SUBSIDIARIES**  
**COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**  
**PURSUANT TO THE REVISED SRC RULE 68, AS AMENDED**  
**DECEMBER 31, 2024**

Ratio	Formula	Current Year	Prior Year	
Current Ratio	Total Current Assets divided by Total Current Liabilities	<b>1.12</b>	<b>0.58</b>	
	Total Current Assets			7,135,796,070
	Divide by: Total Current Liabilities			6,373,169,581
	Current Ratio			1.12
Acid test ratio	Quick assets ( <i>Total Current Assets less Inventories and Other Current Assets</i> ) divided by Total Current Liabilities	<b>0.71</b>	<b>0.29</b>	
	Total Current Assets			7,135,796,070
	Less: Inventories			1,552,478,881
	Other current assets			1,085,344,672
	Quick assets			4,497,972,517
	Divide by: Total Current Liabilities			6,373,169,581
Acid test ratio	0.71			
Solvency ratio	Net Income (Loss) After Tax Plus Depreciation, Amortization and Depletion divided by Total Liabilities	<b>0.42</b>	<b>0.38</b>	
	Net Income (Loss) After Tax			4,324,658,527
	Add: Depreciation, Amortization and Depletion			1,437,206,722
	Net Income (Loss) After Tax, Plus Depreciation, Amortization and Depletion			5,761,865,249
	Divide by: Total Liabilities			13,612,636,676
	Solvency ratio			0.42
Debt-to-equity ratio	Total Liabilities divided by Total Equity ( <i>Excluding Cumulative Translation Adjustment and Treasury Shares</i> )	<b>0.66</b>	<b>0.75</b>	
	Total Liabilities			13,612,636,676
	Divide by: Total Equity			
	Total Equity			18,479,025,794
	Less: Cumulative translation adjustment			(1,125,434)
	Treasury Shares			(2,081,746,680)
Subtotal	20,561,897,908			
Debt-to-equity ratio	0.66			
Asset-to-equity ratio	Total Assets divided by Total Equity ( <i>Excluding Cumulative Translation Adjustment and Treasury Shares</i> )	<b>1.56</b>	<b>1.62</b>	
	Total Assets			32,091,662,470
	Divide by: Total Equity			
	Total Equity			18,479,025,794
	Less: Cumulative translation adjustment			(1,125,434)
	Treasury Shares			(2,081,746,680)
Subtotal	20,561,897,908			
Asset-to-equity ratio	1.56			

<b>Ratio</b>	<b>Formula</b>	<b>Current Year</b>	<b>Prior Year</b>	
Interest rate coverage ratio	Earnings Before Interest and Taxes divided by Interest Expense	<b>10.15</b>	<b>8.30</b>	
	Net Income (Loss) Before Tax			5,441,251,577
	Add: Finance Charges			594,812,655
	Earnings Before Interest and Taxes			6,036,064,232
	Divide by: Finance Charges	594,812,655		
	Interest rate coverage ratio	10.15		
Return on equity	Net Income (Loss) After Tax divided by Total Equity ( <i>Excluding Cumulative Translation adjustment and Treasury Shares</i> )	<b>21.03%</b>	<b>20.21%</b>	
	Net Income (Loss) After Tax			4,324,658,527
	Divide by:			
	Total Equity			18,479,025,794
	Cumulative translation adjustment			(1,125,434)
	Treasury Shares			(2,081,746,680)
	Total Equity	20,561,897,908		
	Return on equity	21.03%		
Return on assets	Net Income (Loss) After Tax divided by Total Assets	<b>14.63%</b>	<b>14.13%</b>	
	Net Income (Loss) After Tax			4,324,658,527
	Divide by: Average Total Assets			
	Assets at beginning of the year			27,066,512,013
	Assets at end of the year			32,091,662,470
	Average Total Assets	29,579,087,241		
	Return on assets	14.62%		
Net profit margin	Net Income (Loss) After Tax divided by Total Revenue	<b>28.56%</b>	<b>27.93%</b>	
	Net Income (Loss) After Tax			4,324,658,527
	Divide: Total Revenue			15,142,201,879
	Net profit margin	28.56%		
Operating profit margin	Net Income (Loss) Before Interest and Tax divided by Total Revenue	<b>39.86%</b>	<b>38.45%</b>	
	Net Income (Loss) Before Tax			5,441,251,577
	Add: Finance Cost			594,812,655
	Net Income (Loss) Before Interest and Tax			6,036,064,232
	Divide: Total Revenue			15,142,201,879
	Operating profit margin	39.86%		
Gross profit margin	Gross Profit Tax ( <i>Total Revenues less Cost of Sales</i> ) divided by Total Revenue	<b>49.81%</b>	<b>47.42%</b>	
	Total Revenues			15,142,201,879
	Less: Cost of Sales			(7,599,661,042)
	Gross Profit			7,542,540,837
	Divide: Total Revenue			15,142,201,879
	Net profit margin	49.81%		

**APEX MINING CO., INC. AND SUBSIDIARIES**  
**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR**  
**FEE-RELATED INFORMATION**  
**December 31, 2024**

	Current Year (2024)	Prior Year (2023)
<b>Total Audit Fees</b>	<b>₱9,200,000</b>	<b>₱8,200,000</b>
Non-audit services fees:		
Tax services	308,503	473,242
All other services	–	–
<b>Total Non-audit Fees</b>	<b>308,503</b>	<b>473,242</b>
<b>Total Audit and Non-audit Fees</b>	<b>₱9,508,503</b>	<b>₱8,673,242</b>
<b>Audit and Non-audit fees of other related entities</b>		
	Current Year (2024)	Prior Year (2023)
Audit fees	₱–	₱–
Non-audit services fees:		
Tax services	–	–
All other services	–	–
<b>Total Audit and Non-audit Fees of other related entities</b>	<b>₱–</b>	<b>₱–</b>

## Annex A: Sustainability Report

### Disclosures

#### Contextual Information

<b>Company Details</b>	
Name of Organization	Apex Mining Co., Inc. (APX)
Location of Headquarters	3304B West Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City
Location of Operations	Maco, Davao de Oro
Report Boundary: Legal entities included in this report	Head Office, Pasig City Maco Gold Mine, Davao de Oro
Business Model, including Primary Activities, Brands, Products, and Services	Exploration, mining, and production of gold and silver bullions
Reporting Period	01 January to 31 December 2024
Highest Ranking Person responsible for this report	Luis R. Sarmiento, ASEAN Eng President and CEO

#### Materiality Process

<b>Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.<sup>1</sup></b>
<p>APX's sustainability report is based on the framework of the Global Reporting Initiative (GRI) standards.</p> <p>Emerging as highly critical are the following: economic, social, corporate governance, employee health and safety, and environmental management.</p> <p>APX started the process of identifying the topics most material to its business operation and stakeholders in 2019.</p>

<sup>1</sup> See [GRI 102-46](#)(2016) for more guidance.

## ECONOMIC

### Economic Performance

#### Direct Economic Value Generated and Distributed

Disclosure	Amount (in thousands)	Units
Direct economic value generated (revenue)	13,373,653	PhP
Direct economic value distributed:		
a. Operating costs	7,317,705	PhP
b. Employee wages and benefits	954,512	PhP
c. Payments to suppliers	5,603,769	PhP
d. Interest payments to loan providers	369,023	PhP
e. Taxes paid to government	1,761,441	PhP
f. Investments in community (e.g. donations, CSR)	363,946	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
<p>APX's operations provide employment opportunities:</p> <ul style="list-style-type: none"> <li>• direct employment to the host and neighboring communities</li> <li>• indirect employment through various contractors and suppliers</li> </ul> <p>APX's operations generate business for other enterprises.</p> <p>APX pays taxes to the local and national governments.</p> <p>APX provides funds for community development and environmental protection and enhancement.</p> <p>APX has a dividend policy.</p>	<p>employees, host and neighboring communities, suppliers, contractors, and local and national government, stockholders</p>	<p>APX practices sustainable and responsible mining.</p> <p>Its mission is to promote the well-being of stakeholders by embracing safety as a way of life, achieving world-class environment standards, and upholding a holistic approach to wellness.</p> <p>APX has a strategic business plan anchored on APX's core values:</p> <ol style="list-style-type: none"> <li>1. rapid growth of resources is assured</li> <li>2. outstanding mining image is maintained</li> <li>3. optimal production is achieved</li> <li>4. adequate fund is properly secured</li> <li>5. outstanding external relationships are sustained</li> <li>6. indigenous peoples' good relations are maintained</li> <li>7. all risks are identified and managed</li> <li>8. five-star systems is supported</li> </ol>



		<p>9. world standard environmental practices</p> <p>10. high performance, one team is demonstrated</p> <p>In November 2024, Apex Mining started the revamp of the company's mission – vision – values to ensure alignment the global and local economic order vis a vis the company's achievements, capabilities and future plans.</p>
<b>What are the risk/s identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
<p>General threats:</p> <ul style="list-style-type: none"> <li>• dip in world market prices of gold and silver</li> <li>• destructive weather conditions that may or may not be caused by climate change</li> <li>• legislation prejudicial to the mining sector</li> <li>• another health pandemic that might restrict mobility, overwhelm healthcare system or impede the supply chain</li> </ul>	<p>employees, stockholders, lenders, suppliers, host communities and neighboring communities</p>	<ul style="list-style-type: none"> <li>• Annual business and strategic planning.</li> <li>• Monthly management review of performance against targets and objectives.</li> <li>• Monitoring of production and operating costs.</li> <li>• Regular virtual meetings between Management and Board of Directors to ensure continuous operations.</li> <li>• APX maintains its security on high alert status, ensures sufficient security forces manning the tenements, and coordinates with the Armed Forces of the Philippines (AFP).</li> <li>• Implements regular identification, monitoring and reporting of safety hazards and risks, including threats of unfavorable weather conditions.</li> <li>• Conformance to LGU health advisories and protocols, IATF-EID guidelines and protocols and company containment team policies and guidelines.</li> </ul>
<b>What are the opportunity/ies identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
<p>High prices of gold and silver in world market.</p>	<p>employees, host communities, suppliers,</p>	<ul style="list-style-type: none"> <li>• Periodic review of short and long term plans to optimize</li> </ul>

	contractors, and local and national government, stockholders	<p>the opportunity of high gold and silver prices.</p> <ul style="list-style-type: none"> <li>• APX has a short-term gold forward agreement available with refiner/buyer as protection against gold price volatility.</li> </ul>
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## Climate-related risks and opportunities<sup>2</sup>

<b>Governance</b>	
Disclose the organization's governance around climate related risks and opportunities	
a) Describe the board's oversight of climate-related risks and opportunities	<p>Enterprise Risk Management (ERM) Committee:</p> <ul style="list-style-type: none"> <li>• composed of members of the Board of Directors (BOD)</li> <li>• ensures that effective and integrated risk management process is in place</li> <li>• periodically revisits risk management strategies to anticipate emerging or changing material exposures</li> </ul> <p>The Resident Manager of Maco (or his designate) and the VP for Geology &amp; Exploration regularly report business risks, including climate-related risks that pose material adverse effects to Maco's operations, to the BOD.</p> <p>The BOD closely monitored the mitigation measures implemented by Apex Mining when a landslide occurred in Masara, its host barangay, in February 2024.</p>
a) Describe management's role in assessing and managing climate-related risks and opportunities	<p>Management adheres to best practices in risk management:</p> <ul style="list-style-type: none"> <li>• to ensure safe workplace for employees</li> <li>• to protect APX properties</li> <li>• to ensure business continuity</li> <li>• to protect host and neighboring communities</li> </ul>
<b>Strategy</b>	
Disclose the actual and potential impacts <sup>3</sup> of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	
a) Describe the climate-related risks and opportunities the organization has identified over the	Short-term climate-related risks: heavy rains, floods, landslides, and forest fire.

<sup>2</sup> Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

<sup>3</sup> For this disclosure, impact refers to the impact of climate-related issues on APX.

short, medium, and long term	Negative impact: reduced revenue due to business interruption, increased costs, higher cost of capital, and non-availability of insurance, suspension/limited operations
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	<p>Hazards and risks normally encountered in exploration, development, and production of precious metals (unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding, and other conditions involved in the drilling and removal of material) could damage or destroy the mines and other infrastructure.</p> <p>Power shortages and outages may lead to increase in generator use and/or shutdown of operations.</p> <p>Supply chain disruptions may result in delivery delays of supplies, equipment, and services.</p>
a) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	<p>APX has a Central Safety, Health and Environment Committee (CSHEC):</p> <ul style="list-style-type: none"> <li>• composed of department heads from key functional areas of APX's operation, and Employees' Representatives</li> <li>• headed by a Chairman as Chief Risk Manager</li> <li>• has oversight responsibilities regarding risk management.</li> <li>• the Incident Command System (ICS) is activated during an emergency</li> </ul> <p>Apex Mining worked with MGB Region 11 in implementing mitigating measures and assessing safety of the areas affected by the landslide in Masara in February 2024.</p> <p>Apex Mining went on limited operations after the landslide in February to focus on assisting the disaster management initiatives of the provincial government of Davao de Oro.</p>
<p><b>Risk Management</b> Disclose how the organization identifies, assesses, and manages climate-related risks</p>	
a) Describe the organization's processes for identifying and assessing climate-related risks	<p>The CSHEC reviews the risk management strategies in view of emerging risk exposures.</p> <p>Management evaluates the risk management plan proposed by CSHEC.</p> <p>CSHEC monitors the implementation of approved strategies and activities.</p>
b) Describe the organization's processes for managing climate-related risks	<p>The CSHEC meets monthly to identify, assess, and report on the different safety and climate-related risks which would impact the mining operations, or have already taken place:</p> <ul style="list-style-type: none"> <li>• risks are rated as to priority - high, medium, and low</li> </ul>

	<ul style="list-style-type: none"> <li>• high risks are immediately discussed and control measures are set-up</li> <li>• committee reports are submitted to top management and disseminated to all departments for information and action</li> </ul> <p>The ICS was in operation as the company managed the impact of the landslide in February.</p>
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	<ul style="list-style-type: none"> <li>• The risk management processes are integrated into the organization. APX is certified ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health and Safety).</li> </ul>
<p><b>Metrics and Targets</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</p>	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	<p>Below are the metrics to assess the magnitude of climate-related impacts on its operations:</p> <ul style="list-style-type: none"> <li>• hours of generator use</li> <li>• number of days of operations interruption due to climate-related risks</li> <li>• rainfall, flooding and landslide alerts</li> <li>• delays in deliveries/number of times that stock outs were experienced</li> <li>• safe man hours</li> </ul>
b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Constant monitoring and reporting of resource utilization and consumption aims to produce optimal resource efficiencies and safe man hours.
	Constant monitoring of logistics and supply chain performance aims to produce an optimal and efficient model to secure reliable supply and inventory of materials and parts.

#### Procurement Practices

##### *Proportion of spending on local suppliers*

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers*.	32.84	%

*\*Local suppliers are those selling locally produced materials and services Davao region within the geographical site of APX.*

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
<p>In 2024, APX procured PhP 1.8B (32.84% of its total purchases) from local suppliers, including cooperatives in the Masara Line.</p> <p>APX assists cooperatives in developing their own business and community based livelihood.</p> <p>APX creates equal employment opportunities and skills enhancement for the members of its host and neighboring communities.</p>	<p>local suppliers, end-users, buyers</p>	<p>Sustain operations capital thru the support of the SDMP fund.</p> <p>APX prioritizes purchases from cooperatives and local suppliers.</p>
<b>What are the risk/s identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
<p>Sustainability and technical capability of local suppliers to produce and provide services.</p> <p>Limited capitalization and financial capability.</p> <p>Quality consistency.</p> <p>Limited production equipment and capacity.</p> <p>Logistics and trucking</p>	<p>end-users, community based suppliers, manufacturers and buyers</p>	<p>Continued assistance to cooperatives and similar organizations to improve their production facilities and capabilities.</p> <p>Alternative local non-cooperative suppliers were considered such as Activated Carbon manufacturers and service providers for metal fabrication.</p> <p>Forecasting and purchasing plans consider production and delivery lead-times, (e.g. timber).</p> <p>Renewal of Supply Agreement for fast moving consumables e.g. Bearings, Laboratory supplies.</p> <p>Maximize use of APX trucks for the regular trips and disrupted supply from Tagum Warehouse to the mine site.</p>

<b>What are the opportunity/ies identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Livelihood opportunities	Cooperatives and other socio-civic organizations in both host and neighboring communities.	Support local livelihood programs through the SDMP.

Anti-corruption

*Training on Anti-Corruption Policies and Procedures*

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

*Employee Code of Conduct was discussed during employee onboarding.*

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
<p>APX's Code of Conduct:</p> <ul style="list-style-type: none"> <li>• printed brochures and electronic version (on Apex website)</li> <li>• disseminated to all employees across the organization.</li> </ul> <p>The members of the Board of Directors are veteran businessmen and experienced chief executives of utmost integrity.</p> <p>The Directors attend Corporate Governance seminars every year.</p>	employees, suppliers, contractors	<p>Year-round campaign to remind employees of key policies and ensure that awareness remains high:</p> <ul style="list-style-type: none"> <li>• anti-corruption policies and procedures are discussed during employee on-boarding</li> <li>• channels to reach employees: pep talks, meetings, email blasts, website and social media</li> <li>• policies on Related Party Transactions (RPT) and Conflict of Interest (COI) Disclosure Policies are communicated to all vendors through Dun &amp; Bradstreet</li> <li>• any material infraction in the Code of Conduct and Ethics</li> </ul>

		is reported and discussed during the Board meetings.
<b>What are the risk/s identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
<p>a. Company reputation - if the corruption incident is made public.</p> <p>b. Financial loss to APX – if the incident involves purchases.</p> <p>c. Demoralization among employees - if the incident is not immediately addressed.</p>	employees, suppliers, contractors	<p>The HR Dept. monitors the employees' compliance to the Code of Conduct &amp; Ethics.</p> <p>In 2024:</p> <ul style="list-style-type: none"> <li>• zero cases of corruption</li> <li>• 111 Code violations investigated: <ul style="list-style-type: none"> <li>- 32 absences without leave</li> <li>- 3 property damages</li> <li>- 0 pilferage</li> <li>- 17 safety disobedience</li> <li>- 50 negligence</li> <li>- 7 insubordination</li> <li>- 2 dishonesty</li> </ul> </li> </ul>
<b>What are the opportunity/ies identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
APX is always seeking better ways to communicate its anti-corruption policies to the employees and other relevant stakeholders.	employees, suppliers, contractors	<p>Maximize the use information communication technology.</p> <p>More pep talks to remind employees of the Code of Conduct Policy.</p>

*Incidents of Corruption*

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
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There were no incidents of corruption in 2024.	none	Institutional policies: <ul style="list-style-type: none"> <li>• Code of Business Conduct and Ethics</li> <li>• Conflict of Interest Policy</li> <li>• Fair Dealings/ Insider Trading Policy</li> <li>• Material Related Party Transactions</li> </ul>
<b>What are the Risk/s Identified?</b>  Financial loss	<b>Which stakeholders are affected?</b> employees, suppliers, contractors	<b>Management Approach</b>  Strict implementation of penalties and sanctions for violators.
Substandard material deliveries  Penalties for violations of law		Vision- Mission-Goal and The Malasakit Values orientation.  Policies disseminated to accredited suppliers and those applying for accreditation: <ul style="list-style-type: none"> <li>• Conflicts of Interest</li> <li>• Disclosure Agreements</li> <li>• Related Party Transaction</li> <li>• Data Privacy Act</li> <li>• No Gift Giving Policy</li> </ul>
<b>What are the opportunity/ies identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Zero-tolerance for corruption can lead to: <ul style="list-style-type: none"> <li>• more stringent safety and security procedures</li> <li>• conduct of investigation and interrogation for speculative or unconfirmed information.</li> </ul>	employees, suppliers, contractors	Review of policies and procedures during management meetings, IMS committee and management reviews, and monthly CSHEC meetings.

## ENVIRONMENT

### Resource Management

Energy consumption within the organization

Disclosure	Quantity	Units
Energy consumption (renewable sources)	87,405.26*	MWh
Energy consumption (gasoline)	0	MWh



Energy consumption (LPG)	none	GJ
Energy consumption (diesel)	947.43	MWh
Energy consumption (electricity)	123,106	MWh

\*By sourcing energy through Power Sector Assets and Liabilities Management (PSALM).

#### Reduction of energy consumption

Disclosure	Quantity	Units
Energy consumption (renewable sources)	N/A	GJ
Energy consumption (gasoline)	N/A	GJ
Energy consumption (LPG)	N/A	GJ
Energy consumption (diesel)	N/A	GJ
Energy consumption (electricity)	N/A	kWh

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
<p>APX practices efficient use of all energy resources.</p> <p>In 2024, APX consumed 87,405.26 MWh of electricity from renewable sources, which is 71 % of the total 123,106 MWh electricity consumption.</p> <p>Energy consumption XXXX in 2024, corresponding to the of power demand by the Mill and Mine Operations.</p>	energy suppliers, host and neighboring communities	<p>APX has an energy conservation czar and energy conservation coordinators in each department.</p> <p>The Enercon czar develops action plans to optimize energy cost.</p> <p>APX's standard energy-saving programs:</p> <ul style="list-style-type: none"> <li>• turning-off lights, computers, and air-conditioning units when not in use</li> <li>• generator sets are used as standby units during unexpected power outages and scheduled repairs only</li> </ul>
What are the risk/s identified?	Which stakeholders are affected?	Management approach
<p>Unavailability of cheap sources of power and fuel.</p> <p>Alternative energy sources may entail higher cost, and untested networks or systems.</p>	energy suppliers, host and neighboring communities	<p>APX extensively evaluates suppliers' systems before securing long-term contracts.</p> <p>APX continuously implements cost reduction initiatives through its Integrated Management System's Energy Conservation Program (EnerCon).</p>
What are the opportunity/ies identified?	Which stakeholders are affected?	Management approach

<p>With so many suppliers, APX can negotiate for favorable terms for power and fuel supplies.</p> <p>Negotiated contracts plus internal generator capability allow APX to optimize its energy mix.</p>	<p>energy suppliers, host and neighboring communities</p>	<p>APX maintained an 11MW contracted capacity for FDC (4MW) and PSALM (8MW) in 2024 1<sup>st</sup> half and 14MW contracted capacity for FGEN (6MW) and PSALM(8MW) in 2<sup>nd</sup> half.</p>
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Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	16,997,147.83	Cubic meters
Water consumption	1,703,775.77	Cubic meters
Water recycled and reused	281,974.89	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
<p>In 2024, APX consumed a total of 1,703,775.77 cubic meters of water for domestic, industrial and UG (underground) use.</p>	<p>employees, host and neighboring communities</p>	<p>Water-saving initiatives:</p> <ul style="list-style-type: none"> <li>• faucet and gate are installed in all outlets and controlled by a maintenance plumber during non-peak hours to ensure that the supply of water will be supervised and will be made available only when needed</li> <li>• catch basins and reservoirs</li> <li>• drainage of clean excess water directly back to bodies of water</li> <li>• regular monitoring of water discharge through the flowmeter device and bucket method</li> </ul>
<p>Water naturally flowing in the underground mines is pumped out to allow underground mining:</p> <ul style="list-style-type: none"> <li>• In 2024, 1,560,000 cubic meters of water was pumped out to prevent flooding of the underground mine.</li> </ul>	<p>employees, host and neighboring communities</p>	<p>APX constructed dewatering sumps for excess water coming from underground. The pumped-out water passes through the constructed series of underground silt traps to allow settlement of suspended solids, then in a large settling pond located at the main portal, and finally released to the river.</p>

<b>What are the risk/s identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Underground operations may develop leakage that can lead to soil and groundwater contamination.	employees, host and neighboring communities	Mitigations: <ul style="list-style-type: none"> <li>contaminated water from underground passes through silt traps and sumps before being discharged</li> <li>bund walls in critical areas at the Mill Plant may contain possible spillage</li> </ul>
<b>What are the opportunity/ies identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
APX recycles water for its day-to-day operations.	employees, host and neighboring communities	Clear water is discharged from the tailings storage facility (TSF) through its toe drain. The discharged water or excess water is then recycled and delivered back to the Mill Plant for use in operations.

Materials used by the organization

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Materials used by weight or volume		
a. Renewable (Water)	281,974.89	Cubic meters
b. non-renewable (Sodium Cyanide)		
• Sodium Cyanide	1,579,000	Kg
• Activated Carbon	60,125	Kg
• Lime	997,000	Kg
Percentage of recycled input materials used to manufacture the organization's primary products and services (water)	2	%

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Interruption of milling and mining operations.	employees, host and neighboring communities, suppliers	Enhancement and protection of watershed and tributaries.  Secure short- and long-term supply agreements for reagents.  Optimum use of materials used in the operation.

<b>What are the risk/s identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Depleted water supply during the dry season.  Shortage in supply due to market demand.	employees, host and neighboring communities, suppliers	Regular monitoring of water level and identification of alternative water sources.  Secure short- and long-term supply agreements for reagents.  Maintain 3-month inventory level.
<b>What are the opportunity/ies identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Process improvement to reduce materials consumption and increase gold and silver recovery.	operations, host and neighboring communities, suppliers	The Corporate Technical Services (CTS) identifies potential new or emerging technologies, equipment or processes that can be implemented in the mine to improve output.  The CTS attends fora, conferences and similar events to keep abreast of the latest innovations in the mining industry.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Two (02)	#
Habitats protected or restored	1. Mangrove Forests in Bucana, Maco (3 ha) 2. Bongabong, Pantukan (7 ha)	ha
IUCN <sup>4</sup> Red List species and national conservation list species with habitats in areas affected by operations	Threatened Flora 1. White Lauan ( <i>Shorea contorta</i> ) 2. Yakal Yamban ( <i>Shorea falciferoides</i> ) 3. Smooth Narra ( <i>Pterocarpus indicus</i> ) 4. Aglaia ( <i>Aglaia odora</i> ) 5. Gubas ( <i>Endospermum peltatumta</i> ) 6. Dao ( <i>Dracontomelon dao</i> ) 7. Almon ( <i>Shorea almon</i> ) 8. Payao ( <i>Homalomena philippinensis</i> ) 9. Duguan ( <i>Myristica philippinensis</i> )	

<sup>4</sup> International Union for Conservation of Nature

	<p>Threatened Fauna</p> <ol style="list-style-type: none"> <li>1. Philippine Hanging Parrot (<i>Loriculus philippensis</i>)</li> <li>2. Philippine Dawn Bat (<i>Eonycteris robusta</i>)</li> <li>3. Mindanao Fanged Frog (<i>Limnonectes magnus</i>).</li> <li>4. Green Crested Lizard (<i>Brochocella cristatella</i>).</li> <li>5. Philippine Sailfin Lizard (<i>Hydrosaurus pustulatus</i>).</li> <li>6. Philippine Yellow-throated Caobra (<i>Naja samarensis</i>)</li> <li>7. Tokay Gecko (<i>Gecko gecko</i>)</li> <li>8. Philippine Water Monitor Lizard (<i>Varanus cumingi</i>)</li> <li>9. Philippine Pit Viper (<i>Trimeresurus flavomaculatus</i>)</li> </ol>	
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<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Possible disturbance of the natural habitats of the native wildlife and loss of flora and fauna.	host and impact communities	Conducted Progressive rehabilitation on buffer zone, open and grassland, kaingin, and secondary growth forest areas. Over time, these areas will enhance the wildlife.
<p><b>What are the Risk/s Identified?</b></p> <p>Top three risks:</p> <ul style="list-style-type: none"> <li>• wildlife hunting</li> <li>• slash-and-burn farming</li> <li>• illegal cutting of trees by the neighboring communities</li> </ul>	<p><b>Which stakeholders are affected?</b></p> <p>employees, regulatory bodies (ex. Department of Environment and Natural Resources -Mines and Geosciences Bureau), and host and neighboring communities</p>	<p><b>Management Approach</b></p> <p>APX's biodiversity conservation efforts:</p> <ul style="list-style-type: none"> <li>• guard against illegal activities within the tenement to preserve the foraging and roosting sites of avifaunal species (in partnership with the DENR-MGB)</li> <li>• information education campaign (IEC) on the protection of wildlife and other identified man-made illegal activities (e.g. kaingin, poaching and illegal cutting of trees) directed at employees and the residents of the host</li> </ul>

		<p>and neighboring communities.</p> <ul style="list-style-type: none"> <li>• has a deputized DENRO personnel who has a special order from the DENR assign to monitor and apprehend illegal activities within the tenement.</li> </ul>
<b>What are the opportunity/ies identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
APX implements biodiversity-focused programs as part of its Annual Environmental Protection and Enhancement Plan (AEPEP).	employees, regulatory bodies (ex. Department of Environment and Natural Resources -Mines and Geosciences Bureau), host and neighboring communities	<ul style="list-style-type: none"> <li>• Ensuring compliance to all existing laws and regulations related to biodiversity conservation and protection.</li> <li>• Planting of Native and Endemic Plant species within the tenement area.</li> <li>• Regular monitoring of Existing Flora and Fauna species within the tenement area.</li> </ul>

### Environmental Impact Management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	13,523.816	Tonnes CO <sub>2</sub> e
Energy indirect (Scope 2) GHG Emissions	61,060.63	Tonnes CO <sub>2</sub> e
Energy indirect (Scope 3)	184,36	Tonnes CO <sub>2</sub> e
Emission of ozone-depleting substances (ODS)	0	Tonnes CO <sub>2</sub> e

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
APX emitted a total of 74,768.80 Tonnes CO <sub>2</sub> e of GHG in 2024.	employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities	<p>APX's GHG Reduction Plan is currently being implemented and will be evaluated after three years to determine whether all GHG reduction programs were significant.</p> <p>APX's mitigation activities:</p> <ul style="list-style-type: none"> <li>• limit the use of ozone-depleting substances in all activities and equipment</li> </ul>

		<ul style="list-style-type: none"> <li>• pollution control devices</li> <li>• regular maintenance servicing of equipment</li> </ul>
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Can contribute to climate change, respiratory diseases and air pollution.	employees, host and neighboring communities, and government agencies	<p>Implementation of GHG action plan:</p> <ul style="list-style-type: none"> <li>• use of Adblue to reduce harmful emissions of nitrogen oxides (NOx) of new equipment</li> <li>• new equipment purchased have engines that are Euro IV to V</li> <li>• use of inverter type air-conditioning units</li> <li>• turning-off of lights, computers, and air-conditioning units when not in use</li> <li>• using of LED lighting system.</li> </ul>
<b>What are the opportunity/ies identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Reduction of GHG emissions through the effective implementation of GHG reduction programs/ projects and policies.	employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities	<p>APX's Action Plan to reduce its GHG emissions includes both short- and long-term efforts:</p> <ul style="list-style-type: none"> <li>• maintain existing reduction measures using energy and cost-saving technologies</li> <li>• improve the productivity of logistical facilities and equipment</li> <li>• implement low-carbon mine design and processes</li> <li>• use low-carbon transport management system</li> <li>• audit energy and GHGs tracking systems</li> <li>• forest rehabilitation, protection, and management</li> <li>• energy conservation education and promotion</li> <li>• community energy planning</li> </ul>

		<ul style="list-style-type: none"> <li>energy efficiency financing assistance program.</li> </ul>
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*Air Pollutants*

SOURCE	PARAMETERS			
	Particulate Emissions	Sulfur Oxide	Nitrogen Oxide	Carbon Monoxide
Furnace 1	21.8	3.0	31.8	70.2
Furnace 2	73	15.2	32.2	238.7
DENR standard	<b>150 ug/Ncm</b>	<b>700 ug/Ncm</b>	<b>500 ug/Ncm</b>	<b>500 ug/Ncm</b>
REMARKS	<b>PASSED</b>			

SOURCE	PARAMETERS			
	Particulate Emissions	Sulfur Oxide	Nitrogen Oxide	Carbon Monoxide
Boiler (200BHP)	30.7	8.4	19.0	126.8
Regeneration kiln	107.4	14.4	22.3	61.6
DENR standard	<b>150 ug/Ncm</b>	<b>700 ug/Ncm</b>	<b>2,000 ug/Ncm</b>	<b>500 ug/Ncm</b>
REMARKS	<b>PASSED</b>			

Disclosure	Quantity	Units
Persistent organic pollutants (POPs)	0	kg
Volatile organic compounds (VOCs)	0	kg
Hazardous air pollutants (HAPs)	0	kg

*\*All Stand-by generators were exempted from Source Emission Testing as per DENR -EMB MC 2022-003).*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
APX ensures that its air emissions are within the regulatory limits set by the DENR.	employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities	APX's strategies in managing air pollution: <ul style="list-style-type: none"> <li>water spraying on haul roads</li> <li>silt scraping</li> <li>installation and maintenance of tire wash</li> <li>installation and maintenance of dust boxes (dust collector system at prep. lab.)</li> <li>motor vehicle maintenance</li> <li>observance of speed limits</li> </ul>



		<ul style="list-style-type: none"> <li>air quality monitoring</li> <li>tree planting along barangay and mine access roads.</li> </ul>
<b>What are the risk/s identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Can lead to air pollution and potential health risks.	employees, host and neighboring communities	APX has Pollution Control Devices (PCD) and conducted regular PMS for every stationary source within its operation. The company also provides special PPE to workers who are directly involved in air pollution-mitigation tasks.
<b>What are the opportunity/ies identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Conduct regular monitoring of air emissions to better assess the effectiveness of its efforts to maintain good air quality in the mine site and in the surrounding communities.	employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities	APX commissioned a third-party environmental service provider to conduct source emission testing on its pollution sources.

#### Solid and Hazardous Wastes

##### *Solid Waste*

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total solid waste generated	117,853.34	kg
Reusable	5,915.73	kg
Recyclable	6,670.94	kg
Composted	34,064.00	kg
Incinerated	0	kg
Residuals/Landfilled	71,202.67	kg

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
<p>APX has an effective solid waste management system in place.</p> <p>In 2024:</p> <ul style="list-style-type: none"> <li>29% of solid waste were composted.</li> <li>5.66% were recycled.</li> <li>5.01% were reused.</li> <li>60.41% residuals.</li> </ul>	employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities	<p>Proper waste disposal:</p> <ul style="list-style-type: none"> <li>biodegradables were turned into vermicompost or mulch to augment mine rehabilitation activities</li> <li>recyclables were sold to third-party buyers</li> <li>residual waste were temporarily stored at the Maco Sanitary Landfill. For 2024 a total of 71,202.67</li> </ul>

		<p>kls. of residuals were disposed.</p> <ul style="list-style-type: none"> <li>hired Waste Management personnel (waste segregator) to properly quantify, through actual weighing, the solid waste generated by the mine site.</li> </ul>
<b>What are the risk/s identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Generation of solid waste	employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities	Solid waste management program.
<b>What are the opportunity/ies identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
APX recycles and reuses materials that are still in good condition.	employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau)	Rock bolts and worn-out pipes are recycled and reused for ongoing engineering projects.
APX seeks to contribute to the decrease in the amount of waste being landfilled and generate income at the same time.		<p>APX sells the scrap waste to third-party buyers to divert waste from the scrap yard and the MRF.</p> <p>In 2024, a total of 274,285.00 kilos of scrap iron and recyclable materials was sold to a third-party buyer.</p>

*Hazardous Waste*

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total weight of hazardous waste generated (2024)		
Empty Toxic Containers	21.51	
Used batteries	32.0	MT
Oil contaminated materials	126.41	MT
Pathological waste	5.20	MT
Used oil	110.0	MT
Waste with cyanide	594,000	MT
Total quantity of used oil transported*	43.00	MT
Total quantity of Oil contaminated materials transported*	60.00	MT

Total quantity of Empty Toxic Containers transported*	6.65	MT
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*\*For 2024, only Empty Toxic Containers, used oil and oil contaminated materials were transported to accredited third-party transporters and treaters; other hazardous wastes were stored until they reach the required quota.*

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
APX's operation generates hazardous waste.	employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities	Hazardous waste management strategies: <ul style="list-style-type: none"> <li>• three-chamber oil-water separator facility and temporary used oil storage area at mechanical shops</li> <li>• assay laboratory chemical waste treatment</li> <li>• hazardous waste segregation</li> <li>• temporary hazardous waste storage facility</li> <li>• engagement of a DENR-accredited hazardous waste transporter and treater</li> <li>• cyanide neutralization process (the treatment of Sodium Metabisulfite or SMBS at tailings hopper before pumping at the TSF for final disposal)</li> </ul>
<b>What are the risk/s identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Hazardous wastes are a health risk to people and a threat to the surrounding flora and fauna.	employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities	Hazardous waste management mitigation measures: <ul style="list-style-type: none"> <li>• process optimization</li> <li>• use of new emission-control technologies</li> </ul>
<b>What are the opportunity/ies identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
APX generates income from used batteries and used oil.  Lessen storage of hazardous materials.	employees, accredited buyers, host and neighboring communities	APX is exploring the use of environment-friendly and biodegradable materials to reduce its generation of hazardous waste.

		APX has contracted a government-accredited third-party transporter and treater for the disposal of hazardous waste (ex. oil and used lead acid batteries).
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Effluents

Disclosure	Quantity	Units
Total volume of water discharges (OWS)	1,095	Cubic meters
Percent of wastewater recycled (Toe Drain)	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
In 2024, APX generated 899,002 tons of mill tailings slurry and stored in its tailings storage facility (TSF).	employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities	<p>APX ensures water resource efficiency by:</p> <ul style="list-style-type: none"> <li>managing and reducing the amount of water discharged</li> <li>recycling of wastewater from the TSF for milling operations</li> <li>monitoring the volume of water discharged through the flowmeter device installed in the TSF toe drain and through the bucket method (for other discharge outlets).</li> </ul> <p>In 2024, the volume of water recycled from the toe drain back to the mill plant was approximately 375,105 cu.m. (100% the total volume of wastewater treated from the Tailings Management Facility).</p>
What are the risk/s identified?	Which stakeholders are affected?	Management approach
In the future, stricter government regulations on the quality of water discharges by mining companies may be imposed, which may incur additional cost.	regulatory bodies: (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities	<p>APX continuously monitors its water discharge parameters and improves existing practices through new technologies and better controls.</p> <p>Maintains existing structures such as oil/water separator facility, settling ponds, polishing pond and earth sumps to mitigate the impact of water</p>

		pollution to nearby bodies of water.
<b>What are the opportunity/ies identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Continuous improvement in managing its natural resources and hazardous wastes.	employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities	APX has a Water Treatment Facility equipped with a settling pond and an oil-water separator installed in significant discharge points such as mechanical repair bays and used oil storage facilities.  It also has a tailings storage facility or TSF (a containment facility for wastewater discharges from milling operations).

### Environmental Compliance

#### Non-compliance with Environmental Laws and Regulations

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
An NOV (Notice of Violation) lodged against APX can lead to a negative perception about the company among its stakeholders.	employees, host and neighboring communities	APX diligently complies with all relevant environmental regulations, such as the permit conditions, the implementation of environment programs and other related concerns.
<b>What are the risk/s identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
Can lead to penalties, suspension and even closure if issues and concerns are not resolved.	Employees, host and neighboring communities	APX keeps abreast with the latest on relevant government laws and regulations through research, attendance to relevant training and coordination with concerned govt. agencies.
<b>What are the opportunity/ies identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>

Strict compliance to the government's environmental regulations ensures that APX is able to maintain its good reputation and promote responsible mining. Non-issuance of NOV's by regulatory bodies ensures that APX's operations run smoothly.	Employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities	APX presents its environmental initiatives and programs through its AEPEP.
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## SOCIAL

### Employee Management

#### Employee Hiring and Benefits

Employee Data (as of December 31, 2024)

Disclosure	Quantity	Units
Total number of employees <sup>5</sup>	1672	person
a. Number of female employees	145	person
b. Number of male employees	1527	person
Attrition rate <sup>6</sup>	7.72%	%
Ratio of lowest paid employee against minimum wage	0.18	%
Total number of workers through contractors	1847	person
a. Number of female workers	133	person
b. Number of male workers	1714	person

#### Employee Benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	31	49
PhilHealth	Y	11.03	13.95
Pag-ibig	Y	34	54
Parental leaves	Y	.02	.02
Vacation leaves	Y	93.79	100
Sick leaves	Y	26.21	49.77
Medical Benefits (aside from PhilHealth)	Y	40	51.88
Housing assistance (aside from Pag-ibig)	Y	14	3
Retirement fund (aside from SSS)	Y	0	.65
Work from home (20 employees)	Y	0	0

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
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<sup>5</sup> Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

<sup>6</sup> Attrition rate = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

<p>APX provides competitive salary and benefits packages.</p> <p>In 2024, APX provided productive employment to 3519 people.</p>	<p>APX enhances its competitive salary and benefits packages with the following:</p> <ul style="list-style-type: none"> <li>• medical, dental and hospitalization</li> <li>• meal allowance for supervisors and rice allowance for rank &amp; file employees</li> <li>• free uniform for surface and underground employees</li> <li>• mobile phone allowance ranging from P500 to P2,000 per month</li> <li>• medicine &amp; laboratory reimbursement annually of up to 8,000 per month</li> <li>• hospitalization benefit according to job level which ranges from P100k to P250k; this includes employee's dependents, too</li> <li>• St. Peter Life Plan in case of employee death</li> <li>• mortuary fund benefit</li> <li>• performance incentives</li> <li>• perfect attendance incentives</li> </ul> <p>Mitigation measures against potential health outbreaks:</p> <ul style="list-style-type: none"> <li>• APX has a DOH-accredited molecular laboratory and a 50-bed isolation facility for COVID – 19 cases</li> <li>• continuous monitoring of health of employees</li> <li>• RTPCR is still conducted to symptomatic employees</li> </ul>
<p><b>What are the risk/s identified?</b></p>	<p><b>Management approach</b></p>
<p>a. Employee attrition in 2024 was 7.72%</p>	<p>The company implements employee training programs and engagement programs</p> <ul style="list-style-type: none"> <li>• Supervisory Development Program <ul style="list-style-type: none"> <li>SDP1 - 28</li> <li>SDP2 - 39</li> <li>SDP3 – 64</li> </ul> </li> <li>• Managers and Supervisors Orientation- 33</li> <li>• Debriefing session due to landslide – all employees</li> <li>• Mental Health Awareness Program that includes a 24/7 hotline and counselors (by appointment)</li> <li>• Work Attitude and Values Enhancement Programs - 30</li> <li>• Supervisory Bridge Program for Managers - 6</li> </ul>

	<ul style="list-style-type: none"> <li>• Kapehan sa Underground – program for the month of April 2024</li> </ul>
<b>What are the opportunity/ies identified?</b>	<b>Management approach</b>
APX provides employment opportunities to its host and neighboring communities.	APX provides scholarship programs and skills training to residents of its host and neighboring communities. Upon completion of the program or training, they are hired either directly by APX or indirectly through contractors when their particular skill set is required by APX.

#### Employee Training and Development

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total training hours provided to employees	11,232	Hours
a. Female employees	48	Hours
b. Male employees	11,184	Hours
Average training hours provided to employees	6.72	Hours
a. Female employees	0.33	hours/employee
b. Male employees	7.32	hours/employee

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
Training opportunities to employees: technical operations of equipment; development of soft skills; continuing education for professional/licensed employees.	In 2024, APX provided 11,232 hours of training to its employees
<b>What are the risk/s identified?</b>	<b>Management Approach</b>
Technical employees are not familiar with latest technology.	<ul style="list-style-type: none"> <li>• Performance monitoring</li> <li>• Skills effectiveness assessments</li> <li>• Skill Trainings Tests</li> </ul>
<b>What are the opportunity/ies identified?</b>	<b>Management approach</b>
Performance evaluation  Recognition of exemplary work	<ul style="list-style-type: none"> <li>• Annual performance reviews done every November</li> <li>• Exemplary employees are sent to attend national trainings and visit supplier factories abroad</li> <li>• 360-degree performance review of candidates who are up for promotion.</li> <li>• Special recognitions: Safest Underground Worker, Honesty and Perfect Attendance; PEAR (Policy on Employee Academic Recognition Award); Five Stars Award</li> </ul>



	<ul style="list-style-type: none"> <li>PEAR (Policy on Employee Academic Recognition Award); -36 (employees/dependents)</li> <li>Employees Service Awards (5,10,15) 331 employee</li> <li>Five Stars Award -2</li> <li>Factory Acceptance Test - 11</li> </ul>
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### Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	0	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management approach</b>
APX is a non-unionized company. Nevertheless, the company maintains an open-line of communication with its employees as a tool for a healthy labor-management relation.	The company strengthens its relationship with its employees through the Labor Management Cooperation Council called AMCINERO. Employee representatives elected from each cluster represent their fellow employees in dialogues and help the company in formulating policies. This is also in compliance with the MGB mandate.
<b>What are the risk/s identified?</b>	<b>Management approach</b>
Labor relations that are not effectively managed may escalate into conflict between the management and the workers. This, in turn, may negatively impact operation and may entail cost.	<p>The company has an Industrial Relations Office that handles disputes among workers and grievances raised by them, as well. This ensures that workers have an avenue where their concerns are raised and addressed.</p> <p>The company also has its designated counselor who handles counselling in relation to work and family problems that might affect their work.</p> <p>New policies are communicated to employees through several channels, such as email, bulletin boards, and pep talks.</p> <p>New policies are implemented two (2) weeks after these have been cascaded to give more time for feedback from employees.</p>
<b>What are the opportunity/ies identified?</b>	<b>Management approach</b>
The company provides opportunities for employees to share their thoughts and insights for the improvement of its operations. There is consultation and	Through the AMCINERO, the APX is able to encourage the involvement of its employees in decision- and policymaking.

participation of workers in the discussion of policies and welfare.	
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#### Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of females in the workforce	145	xx%
% of males in the workforce	1527	xx%
Number of employees from indigenous communities and/or vulnerable sector*	221	xx%

\*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management approach</b>
The high percentage of male versus female employees is not unique to APX. Rather, it is a function of the mining industry's nature to be typically male-dominated and not due to a preference for a specific gender. The distribution in number and percentage is a natural consequence of the open selection process.	APX is an equal employment opportunity employer. The principle of non-discrimination is also applied in the promotion of employees.
<b>What are the risk/s identified?</b>	<b>Management approach</b>
There is no significant risk identified.	APX maintains an equal opportunity and treatment to all nurturing a work environment that is free from any form of discrimination.
<b>What are the opportunity/ies identified?</b>	<b>Management approach</b>
Proposed answer: Employing people from all walks of life, regardless of gender, religion, physical abilities and the like can provide APX with a wider talent, labor and expertise base.	The company's inclusive policy applies to its talent acquisition, learning & education, career development planning, employee welfare, compensation & benefits, and other aspects of human resource management & development.

#### Workplace Conditions, Labor Standards, and Human Rights

##### Occupational Health and Safety

Disclosure	Quantity	Units
Total Man-Hours	9,186,732	Man-hours
No. of work-related injuries/illnesses	0	Cases
No. of work-related fatalities	0	Cases
No. of safety drills	12	Cases

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management approach</b>
Safety is very much ingrained in APX's corporate DNA, counting it among the	The Comprehensive Safety Program is comprised of the following:

cornerstones in promoting the well-being of all its stakeholders.

APX has a Comprehensive Safety Program:

- Mines and Geo-sciences Bureau issued Certificate of Approval No. SHP-2024-XI-002 (APX's submitted Annual Safety and Health Program CY 2024)

- Leadership and Administration, and Organizational Rules
  - MGB-approved Safety and Health Program for CY 2024 was cascaded during the monthly department safety meeting (January 2024)
  - Re-cascaded the PPE policy during pep talks and departmental safety meetings.
  - Re-orientation of department coordinators.
  - Implemented the following after release of permits from the MGB:
- Authority to construct/install electrical and mechanical for L-425 UG Power Substation
- Permit to Operate Newly-constructed Mechanical Shop at Bibak
- Authority to construct/install 2.0 MVA Power Substation at L-425 BNZ 49N Ramp 1 Maligaya Underground
- Permit to Operate 2.5 MVA Power Substation at L-890 Surface
- Permit to Operate Additional 2.5 MVA Power Substation at Bibak Substation
- Authority to construct/install explosives Magazine at L-545 Ramp 2 in Maligaya Underground
- Authority to construct/install 2.0 MVA Power Substation at L-545 MAI HWS 147E in Maligaya Underground
- Authority to Construct/install 2.0 MVA Power Substation at L-496 BHWS in Maligaya Underground
  - Audit plan
  - Annual physical examinations
  - Refresher course for all light vehicles and heavy equipment operators

	<ul style="list-style-type: none"> <li>○ Consultation for inputs for the next annual safety and health program</li> <li>○ Renewal of permit of Safety Inspectors</li> <li>○ Renewal of permit to operate for power generating sets, pressure vessels, thermal heater, steam boiler and power substation.</li> <li>● Safety Meetings</li> <li>● Weekly Mill Coordination Meeting</li> <li>● Twice a Month Operations Meeting</li> <li>● Weekly Mine Coordination Meeting</li> <li>● Monthly Central Safety, Health and Environment Council (CSHEC) Meeting</li> <li>● Management and Employees Training/Seminars</li> <li>● External – 35 different training/seminars from various fields in project management, emergency response/first aid, occupational medicine in the COVID-era, human resource management, logistics and supply chain, electrical installation protocols and procedures, supervisory development, pollution control, and occupational safety-related subjects</li> <li>● Internal – 199 various trainings/seminars in skills development, attitude and behavioral identifications and improvements, supervisory development, safety officers' training on explosives and explosive accessories, rescue techniques and procedures</li> <li>● Good Housekeeping</li> <li>● Weekly regular housekeeping activity</li> <li>● Daily collection of garbage</li> <li>● Regular waste segregation and monitoring</li> </ul>
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	<ul style="list-style-type: none"> <li>• Daily/Weekly/Monthly inspection of working areas</li> <li>• Dust suppression activities for all mine road networks during the summer months</li> <li>• Health Control and Services</li> <li>• Anti-pandemic measures:</li> <li>• Ocular inspection of APX Molecular Laboratory</li> <li>• Regular maintenance of Isolation Facility</li> <li>• Blood donation program</li> <li>• Deworming activities</li> <li>• Flu vaccination</li> <li>• Dispensing of vitamins and selected maintenance drugs</li> <li>• Free treatment of employees with TB; community monitoring of TB and dispensing of anti-TB drugs</li> <li>• Evaluation and interpretation of Annual Physical Examinations for employees</li> <li>• Vaccination shots for anti Hepatitis B</li> <li>• Physical Fitness Program: Biggest Loser, a weight reduction competition.</li> <li>• Daily OPD consultation and prescription</li> <li>• Annual Physical Examination Tests and Interpretation of results</li> <li>• Conducted Medical Missions to all Evacuation Centers (Masara Landslide)</li> <li>• Conducted Psychological First Aid and Psychosocial Support to Evacuees, Responders, and Employees</li> <li>• Conduct of series of Health Education Program</li> <li>• Daily Dance Exercises of All Employees during break time</li> <li>• Conducted "Operation Tuli" to all dependents and community residents</li> <li>• Conducted Annual Flu Vaccination Program</li> </ul>
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	<ul style="list-style-type: none"> <li>• Conducted Tooth Extraction Program to all dependents and community residents</li> <li>• Personal Protective Equipment (PPE)</li> </ul> <p>Regular issuance/replacement of various PPEs:</p> <ul style="list-style-type: none"> <li>• Alarms</li> <li>• Chemical resistant apron</li> <li>• Welding apron</li> <li>• Strap binders</li> <li>• BP apparatus</li> <li>• Reflectorized vests</li> <li>• Fire extinguisher</li> <li>• Hard hat</li> <li>• Chemical mask cartridge</li> <li>• Chemical respirator</li> <li>• Chin strap</li> <li>• Working gloves</li> <li>• Disposable chemical resistant cover-all</li> <li>• Full face crash helmet</li> <li>• Gas detectors</li> <li>• Ear muff/plug</li> <li>• Early warning device</li> <li>• Rescuer's helmet</li> <li>• Rescuer's uniform/PPE</li> <li>• Illuminated exit signs</li> <li>• KN95 face mask</li> <li>• Face shield w/ visor</li> <li>• 2" diameter x 30m fire hose</li> <li>• High temperature gloves</li> <li>• Chemical gloves</li> <li>• Welding mask</li> <li>• Welding gloves</li> <li>• Eye protection device</li> <li>• Fall protection device</li> <li>• Reflectorized pants</li> <li>• Raincoats</li> <li>• Safety shoes</li> <li>• Safety boots</li> <li>• Whistle</li> <li>• Rescue material</li> <li>• High temperature suit</li> <li>• Smoke tube</li> <li>• Reflectorized sweatshirt</li> <li>• Caution tape</li> <li>• Danger tape</li> <li>• Traffic cones</li> </ul>
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	<ul style="list-style-type: none"> <li>• Signages</li> <li>• Monitoring and Reporting</li> <li>• Incident/Accident Reporting, Investigation and Analysis</li> <li>• Monthly submission of general accident report to MGB and DOLE</li> <li>• Monthly in-house investigation presided by a Committee</li> <li>• Summary of personal injury (0 cases)</li> <li>• Inspections</li> <li>• Daily inspection by Safety officers</li> <li>• Weekly group inspection by supervisors and managers</li> <li>• Monthly safety audit/inspection</li> <li>• MGB-initiated inspection</li> <li>• Quarterly safety and health</li> <li>• Annual safety and health</li> <li>• Annual electrical and mechanical installation</li> <li>• Annual explosives inventory</li> <li>• Emergency Response and Preparedness Program</li> <li>• Emergency drill</li> <li>• Masara landslide (February 2024)</li> <li>• Responded to actual series of landslide clearing and rescue operations along nearby communities (January 2024)</li> <li>• Announced Earthquake Drill at Magenta Accommodation (satellite office) (March 2024)</li> <li>• Vehicle Oil Spill Emergency Drill (February 2024)</li> <li>• Fire Emergency Drill (June 2024)</li> <li>• Fire Emergency Drill at Accommodation Area (May 2024)</li> <li>• Typhoon, Landslide, and Flashflood Drill Exercise (August 2024)</li> <li>• Vehicular Accident Emergency Drill (July 2024)</li> <li>• Simultaneous Earthquake, Tailings Pipeline Leak, Chemical Spill Drill &amp; Radiation Spill (October 2024)</li> </ul>
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	<ul style="list-style-type: none"> <li>• Unannounced landslide and flashflood drill (December 2024)</li> <li>• Inspection/audit/installation/refill of First Aid kits</li> <li>• Monthly Inspection/audit/installation/replacement of Fire Extinguishers</li> <li>• Monthly Inspection/audit/testing of Fire Hydrant and Hoses</li> <li>• Regular/ocular inspection of ANFO magazine</li> <li>• Monthly audit of ERT tools and equipment</li> <li>• ERT Refresher Course training:</li> <li>• Proper Operation and Maintenance Training of the Newly acquired fire truck</li> <li>• Standard First Aid &amp; BLS-CPR Training</li> <li>• Collapsed Structure Search &amp; Rescue Training</li> <li>• General Promotion</li> <li>• Attendance to the 70<sup>th</sup> ANMSEC and participated the following event competition:</li> <li>• First Aid Competition (1<sup>st</sup> Place)</li> <li>• Machine Drilling Competition (2<sup>nd</sup> Place)</li> <li>• Hand Mucking Competition (2<sup>nd</sup> Place)</li> <li>• Installation/maintenance/replace ment of safety signages/convex mirrors</li> </ul> <p>10. Other activities</p> <ul style="list-style-type: none"> <li>• Random alcohol testing of employees (mandatory testing of workers involved in accident/incidents)</li> <li>• Monthly sampling of drinking water sources</li> <li>• Servicing of gas detectors, light meters, and alcohol testers</li> </ul> <p>11. Budget Utilization (Php 98,497,445.07)</p> <ul style="list-style-type: none"> <li>• Leadership and Administration (Php 40,000.00)</li> <li>• Organizational Rules and Policy (Php 148,508.00)</li> </ul>
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	<ul style="list-style-type: none"> <li>• Management and Employee Training (Php 5,171,417.00)</li> <li>• Good Housekeeping (Php 280,000)</li> <li>• Health Control and Services (Php 19,297,454.51)</li> <li>• PPEs (Php 23,982,418.19)</li> <li>• Monitoring and Reporting (Php 488,749.00)</li> <li>• Emergency Preparedness and Response Plan (Php 47,638,156.00)</li> <li>• Occupational Safety and Health Management (Php 1,292,510.37)</li> <li>• Other activities (Php 158,232)</li> </ul>
<p><b>What are the risk/s identified?</b></p>	<p><b>Management approach</b></p>
<p>The risks associated with its operations are classified into four types:</p> <ol style="list-style-type: none"> <li>1. <u>Chemical</u> <ul style="list-style-type: none"> <li>- This includes excessive airborne concentrations of acids/mist, solvents/vapors/gases, dust/particulates, heavy metals or fumes.</li> </ul> </li> <li>2. <u>Physical</u> <ul style="list-style-type: none"> <li>- This includes noise, inadequate illumination, extreme temperatures, radiation, extreme pressure, vibration, poor ventilation.</li> </ul> </li> <li>3. <u>Biological</u> <ul style="list-style-type: none"> <li>- This includes bacteria, virus, fungi, molds, and microorganisms.</li> </ul> </li> <li>4. <u>Ergonomic</u> <ul style="list-style-type: none"> <li>- This includes improperly designed tools or work areas, improper lifting or reaching, poor visual conditions, and repeated motion in an awkward position.</li> </ul> </li> </ol>	<p>APX applies the Hazard Identification, Risk Assessment and Control (HIRAC) and Job Hazard Analysis (JHA) in its operations.</p> <p>Hazard control measures are:</p> <ol style="list-style-type: none"> <li>1. <u>Elimination</u> <ul style="list-style-type: none"> <li>- The hazard is eliminated through design.</li> </ul> </li> <li>2. <u>Substitution</u> <ul style="list-style-type: none"> <li>- The hazard is prevented or minimized by using a different equipment or tool.</li> </ul> </li> <li>3. <u>Engineering controls</u> <ul style="list-style-type: none"> <li>- The hazard is prevented or minimized through isolation and guarding.</li> </ul> </li> <li>4. <u>Administrative controls</u> <ul style="list-style-type: none"> <li>- The hazard is prevented or minimized through training and work scheduling. This prevents mistakes caused by lack of knowledge or adequate rest.</li> </ul> </li> <li>5. <u>PPE</u> <ul style="list-style-type: none"> <li>- The hazard is prevented or minimized through the use of PPEs. This is considered as a last resort by APX.</li> </ul> </li> </ol> <p>For cases of human negligence or non-compliance, APX issues a disciplinary action.</p>
<p><b>What are the opportunity/ies identified?</b></p>	<p><b>Management approach</b></p>

<p>1. Improvement of the Comprehensive Safety Program through continuous training and consultation during the formulation of the Annual Safety &amp; Health Program (ASHP) in participation of workers' representatives.</p> <p>2. Enhanced employee credentials leading to higher job category (3 Safety Officers were actually transferred to another department with higher job category).</p>	<p>In 2024, APX provided a total of 18 training activities on health and safety, and 20 on disaster preparedness (First Aid Training with BLS-CPR &amp; AED, Basic Firefighting, Emergency Medical Responder, Safety Awareness 2024, Mountain Search and Rescue, Ambulance Operation, blasting refresher course for operators, Supervisor Development Program, Mine Rescue, Basic Occupational Safety and Health, Loss Control Management, and Basic Incident Command System Training)</p>
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### COVID-19 RESPONSE AND PROTOCOL

Disclosure	Quantity	Units
Positive	0	Person
Recovered	0	Person
Mortality	0	Person

Vaccination	Quantity	Units
Vaccinated (Full-dose; Regular Employee)	1,631	Person
Unvaccinated	3	Person
Adverse Effect	0	Person
Mortality	0	Person
Total Adherence to Vaccination (Regular Employee)	99.82%	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
Policies and guidelines to mitigate the negative impact of COVID-19 were implemented in accordance with the guidelines set by Company's COVID Management Team (CMT), the Local & National IATF and the regulatory agencies. These policies and guidelines were reviewed and updated as the situation evolved.	employees, suppliers	APX also maintains a DOH-accredited molecular laboratory and a dedicated 50-bed isolation facility.
What are the risk/s identified?	Which stakeholders are affected?	Management approach

Emergence of new Covid-19 variants	employees, contractors, suppliers, and host and neighboring communities	APX, in coordination with the MHO, conducted booster vaccination programs against Covid.  APX is still observing the minimum health protocols (wearing of face masks, social distancing, hand hygiene, and proper ventilation).
<b>What are the opportunities identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management approach</b>
With the high vaccination rate, testing is rarely being done.  Continuing operations despite COVID restrictions brought about by COVID-positive employees  Creating vaccination program against COVID-19	employees, contractors, suppliers, and host and neighboring communities	APX implemented the following: <ul style="list-style-type: none"> <li>• implementation of COVID-19 protocols</li> <li>• RT-PCR swab testing of Suspect and Probable cases of COVID-19</li> <li>• isolation of confirmed cases</li> <li>• prompt contact tracing</li> <li>• monitoring symptoms from closed contacts</li> </ul> COVID-19 vaccination program including administration of booster shots in partnership with the MHO.

#### Labor Laws and Human Rights

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

<b>Topic</b>	<b>Y/N</b>	<b>If Yes, cite reference in APX policy</b>
Forced labor	Y	Republic Act 9208 (Anti-Trafficking in Persons Act) Philippine Constitution (Sec. 18.(2), Article III of the Constitution) - prohibition on involuntary servitude
Child labor	Y	Anti-Child Labor Policy Republic Act 7658 (An Act Prohibiting the Employment of Children below 15 Years of Age in Public and Private Undertakings) Republic Act 9231 (Special Protection of Children Against Child Abuse, Exploitation and Discrimination Act)
Human Rights	Y	Philippine Constitution (Article III "Bill of Rights" of the Constitution) Anti-Sexual Harassment in the Workplace Policy, including the amendment to Republic Act 7677 (Safe Streets and Public Spaces Act) Republic Act 11313 (Bawal Bastos Law)

Security of Tenure	Y	Labor Code of the Philippines Book 6 Article 279
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<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management approach</b>
<p>APX's Code of Business Conduct and Ethics is aligned with the Philippines' labor laws and human rights policies.</p> <p>APX was recognized by the Department of Labor and Employment (DOLE) Region XI as a Lifetime awardee of "Child Labor-Free Establishment"</p>	<p>APX's Code of Business Conduct and Ethics is implemented in conjunction with other company policies and Philippine labor laws.</p> <p>APX treats all employees equally, recognizing the diversity (age, gender, ancestry, culture, religion, education, physical and mental abilities) of its workforce.</p>
<p>APX has one active labor case that is on appeal with the 8<sup>th</sup> Division of the NLRC in Cagayan de Oro City as of December 23, 2024.</p> <p>There is another labor case pending resolution with the NLRC RAB XI in Davao City that was initiated on December 11, 2024.</p>	<p>The AMCINERO foster harmonious relationship between employees and management.</p> <p>In cases of violations, APX continues to execute administrative proceedings affording due process to erring employees. It also respects the right of the dismissed employee to file a labor case.</p>
<b>What are the risk/s identified?</b>	<b>Management approach</b>
<p>Non-utilization of the grievance channels by the employees will limit APX's capability to resolve their concerns – potentially leading to a high attrition and low employee morale.</p>	<p>Employee Welfare Office under the Human Resources (HR) Department:</p> <ul style="list-style-type: none"> <li>venue where employees raise their concerns and arrange for dialogues and consultations</li> <li>counseling sessions are also done to ensure emotional and psychological stability of the concerned employee</li> </ul> <p>Grievance Committee:</p> <ul style="list-style-type: none"> <li>composed of representatives from Human Resources, Legal, and concerned Department Managers</li> <li>implements provisions of the Grievance Policy</li> <li>ensures a transparent and respectful process of addressing grievances</li> </ul>

People intentionally ignoring the policies and violating the rules.	<p>APX follows due process for cases of policy violations:</p> <ul style="list-style-type: none"> <li>• serving the twin notices: notice to explain and schedule of hearing and notice of decision</li> <li>• violators are sanctioned based on the Employee's Code of Discipline after</li> </ul> <p>Whistleblowers are protected by APX's Whistleblower Protection policy.</p>
<b>What are the opportunity/ies identified?</b>	<b>Management approach</b>
There are no significant opportunities identified.	

### Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

YES

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in APX policy
Environmental performance	Y	APX Supplier Accreditation List of requirements – provided thru D&B. APX vendor accreditation policy – PRO OCP-01 rev.03 (June 2024).
Forced labor (RA 10364)	Y	
Child labor (RA 9231)	Y	
Human Rights (UDHR)	Y	
Gender Law (RA 9710)	Y	
PWD (RA 7677)	Y	
Bribery and corruption	Y	
List of SDMP project	Y	Social Development Program activities conducted by the company, as approved by the MGB and crafted in consultation with the community stakeholders.

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management approach</b>
<p>Damage to company reputation and administrative cost from the imposed penalties.</p> <p>Non-compliance occurs during Procurement transactions and negotiations affecting buyer-supplier relationship.</p>	<p>Provide preventive policies as part of the accreditation process such as:</p> <ul style="list-style-type: none"> <li>• accomplishment of COI disclosure and RPT form.</li> <li>• supplier compliance to PO Terms &amp; Conditions.</li> <li>• supplier compliance to regulatory requirements, APX Code of Business Conduct and Ethics.</li> </ul>

	<ul style="list-style-type: none"> <li>supplier annual performance evaluation</li> </ul>
<b>What are the risk/s identified?</b>	<b>Management approach</b>
Monitoring and re-validation of supplier disclosure and compliance to the said sustainability topic.	Suppliers and contractors are required to submit the updated disclosure of the RA's provided in the sustainability topics during renewal of accreditation.
<b>What are the opportunity/ies identified?</b>	<b>Management approach</b>
Improve the validation and monitoring of supplier compliance on sustainability topic.	Renewal of Service Agreement with Dun & Bradstreet to reflect in the assessment report the Supplier Sustainability practices.

## Relationship with Community

### Significant Impacts on Local Communities

<b>Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)</b>	<b>Location</b>	<b>Vulnerable groups (if applicable)*</b>	<b>Does the particular operation have impact on indigenous people (Y/N?)</b>	<b>Collective or individual rights that have been identified that or particular concern for the community</b>	<b>Mitigating measures (if negative) or enhancement measures (if positive)</b>
Mining operations	Masara, Maco, Davao de Oro	PWDs, financially disadvantaged, IPs (indigenous peoples)	Yes	Right to work  Right to a healthy environment	APX employs 221 individuals belonging to indigenous communities.  To mitigate the impact of air emissions to the surrounding communities, APX

					<p>implemented the following control measures:</p> <ul style="list-style-type: none"> <li>• road watering/ spraying using water tanker truck at mine access road during prolonged dry season to control dust emissions brought about by moving vehicles and equipment</li> <li>• regular preventive maintenance schedule (PMS) of service vehicles, equipment and stationary air pollution sources (e.g. generator sets and boilers)</li> <li>• installed air pollution control devices (e.g. lead fume scrubber, acid scrubber and dust collector system) at the mill plant, assay and sample Prep laboratory</li> <li>• conducted enrichment planting and tree planting within the Tenement.</li> </ul> <p>Finally, the generated hazardous waste from the operations were safely stored at the Hazardous waste storage facility located within the vicinity of APX.</p> <p>To comply with government regulations, APX</p>
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					<p>hired a third-party accredited transporter and treater (Arc Merchandising) to properly handle the transporting, disposal, and treatment of hazardous waste.</p> <p>In 2024, a total of 43 MT of used oil and 60 MT of oil contaminated materials were treated and disposed.</p>
Underground mining operation	Masara, Maco, Davao de Oro	children and youth, elderly, PWDs, financially disadvantaged	Yes	Right to a healthy environment	<p>Wastewater discharge is monitored in various strategic locations inside the tenement to ensure that it is within the Department of the Environment and Natural Resources' (DENR) standards.</p> <p>Provision of Settling ponds, Silt traps, Earth sumps and OWS facility was implemented to ensure compliance to Phil. Clean Water Act of 2004.</p>
Milling operations	Masara, Maco, Davao de Oro	Children and youth, elderly, PWDs, financially disadvantaged	Yes	Right to a healthy environment	<p>APX engaged the expertise of Engineering Development Corporation of the Philippines (EDCOP) in the design, engineering, construction surveillance and monitoring of a multi-million Tailings</p>



					Containment Dam in the mine site. The Tailings Dam is closely monitored by APX and EDCOP to ensure that its construction and operation is in accordance to the national and global standards.
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*\*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available:

<b>Certificates</b>	<b>Quantity</b>	<b>Units</b>
FPIC process is still undergoing	0*	#
CP secured	1	#

*\*FPIC process was completed for MPSA 225 and MPSA 234 in 2004.*

<b>What are the risk/s identified?</b>	<b>Management approach</b>
The absence of an FPIC from the community, LGU, IPs, and other stakeholders is a violation of RA 7942 and will compromise APX's operations and reputation.	APX went through the FPIC process with all stakeholders before it started its operations in 2006.  The company received proper consent to operate with the signing of the Memorandum of Agreement with the stakeholders.
<b>What are the opportunity/ies identified?</b>	<b>Management approach</b>
APX's collaboration with the communities where it operates -- from the planning of development programs, projects and activities to its implementation, monitoring and evaluation -- deepens their sense of belongingness and ownership of the projects. This, in turn, encourages them to give their full support to APX's operation.	APX ensures strict compliance to all regulatory and statutory laws by integrating them into its Mission, Vision and Work Culture.

### **Customer Management**

#### Customer Satisfaction

<b>Disclosure</b>	<b>Score</b>	<b>Did a third party conduct the customer satisfaction study? (Y/N)</b>
Customer Satisfaction	Excellent	N

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management approach</b>
APX deals with only one buyer of the gold and silver bullions it produces.	A quarterly survey is being conducted for the customer satisfaction as part of the requirements of APX's Integrated Management System.  APX is covered by a refining and transportation agreement renewable every two years.
<b>What are the risk/s identified?</b>	<b>Management approach</b>
Non-renewal of refining and transportation agreement with current buyer.	There are other available refiners/customers who may accept, refine and buy APX's product since gold and silver are high demand commodities.
<b>What are the opportunity/ies identified?</b>	<b>Management approach</b>
<b>None</b>	

#### Health and Safety

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

*\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management approach</b>
The bullions are shipped to only one buyer.	
<b>What are the risk/s identified?</b>	<b>Management approach</b>
Government agencies changing reportorial requirements.	Closely coordinate with the government agencies to address deficiencies that may arise from the changes in the reportorial requirements.
<b>What are the opportunity/ies identified?</b>	<b>Management approach</b>
None	

#### Marketing and Labelling

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

*\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies*

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users, and account holders whose information is used for secondary purposes	0	#
<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management approach</b>	
APX deals with only one buyer of the bullions that it produces.		
<b>What are the risk/s identified?</b>	<b>Management approach</b>	
N/A		
<b>What are the opportunity/ies identified?</b>	<b>Management approach</b>	
N/A		

#### Customer privacy

*\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management approach</b>	
APX deals with only one buyer of the bullions that it produces.		
<b>What are the risk/s identified?</b>	<b>Management approach</b>	
N/A		
<b>What are the opportunity/ies identified?</b>	<b>Management approach</b>	
N/A		

#### Data Security

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
No. of data breaches, including leaks, thefts and losses of data	0	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management approach</b>	
APX deals with only one customer		

<b>What are the risk/s identified?</b>	<b>Management approach</b>
N/A	
<b>What are the opportunity/ies identified?</b>	<b>Management approach</b>
N/A	

### SUSTAINABLE DEVELOPMENT

Product of Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

<b>Key Products and Services</b>	<b>Societal Value / Contribution to UN SDGs</b>	<b>Potential Negative Impact of Contribution</b>	<b>Management Approach to Negative Impact</b>
Gold and Silver Bullions	<p>#3 Good Health and Well-being</p> <p>#4 Quality Education</p> <p>#8 Decent Work and Economic Growth</p> <p>#9 Industry, Innovation, and Infrastructure</p>	<p>The mining process, if done haphazardly, will negatively affect the people, the environment and the planet, as a whole. In the case of APX's operations, the production of gold and silver bullions requires opening of underground tunnels, removal of ores from the source and milling them until the metals are extracted.</p> <p>APX conscientiously practices responsible and sustainable mining practices to ensure that the natural ecosystems are always protected amidst the company's conduct of business.</p> <p>Management ensures resources are available and deployed to minimize the impact of APX's operation on the environment and the lives of the people living in its host and neighboring communities. It strictly complies with existing mining laws and ordinances and regularly coordinates with the relevant government agencies for monitoring, reporting and other administrative tasks.</p> <p>APX's annual Social Development and Management Plan (SMDP), designed and formulated every year in consultation with relevant stakeholders (local government units, regulators and community stakeholders) is responsive to the needs of its host and neighboring communities, particularly in livelihood</p>	

		<p>generation (education, skills training, and the like). The company's scholars, upon completion of their respective courses, are employed by the company either directly (if organic positions are open) or indirectly (through its contractors and 3<sup>rd</sup> party suppliers/vendors). Medical and health assistance is also underscored by providing medical personnel and conducting community medical consultations to ensure good health and well-being of its communities.</p> <p>APX's work with small scale or artisanal miners also ensures that small scale miners, while not employed by APX, are able to work and earn a decent living. Since 2019, APX's subsidiary, Itogon-Suyoc Resources, Inc (ISRI) has also been ramping up with collaboration with the small-scale miners in its tenements.</p> <p>APX also explores cutting edge and new technologies that help make mining technologies and processes more green. This, aside from its host of modern solutions to waste disposal, processing of water effluents and the like.</p>
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*\*None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*






Title of Manual: Quality, Environment, Safety and Health(QESH) Management System	Doc. No.:	PRO-OCP-01
	Rev. No.	01
Title of Document: SUPPLIER / VENDOR / CONTRACTOR ACCREDITATION	Effective Date:	October 1, 2017
	Page No.	

**Document Revision History**

Rev. No.	Date Effective	Section	Description of Revision
00	01/01/2017	All	New
01	10/01/2017	1	Revision of the entire OCP to exclude "Suppliers Performance Evaluation"
			To mention the engagement with a third party for the accreditation pre-qualification process
			To include in the OCP the classification of suppliers as small and large business company

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	Title of Manual: Quality, Environment, Safety and Health(QESH) Management System	Doc. No. : PRO-OCP-01
	Title of Document: <b>SUPPLIER / VENDOR / CONTRACTOR ACCREDITATION</b>	Rev. No.: 01
		Effective Date : October 1, 2017

**1. Title:**

SUPPLIER/VENDOR/CONTRACTOR ACCREDITATION

**2. Objective:**

2.1 To establish guidelines in the accreditation process of suppliers, vendors and contractors of materials, supplies and services.

2.2 To ensure that the Company transacts only with legitimate, reputable and dependable suppliers, vendors and contractors.

2.3 To ensure that the established procurement controls are fully implemented and enforced.

**3. Scope:**

3.1 Accreditation process shall apply to all current and aspiring suppliers, vendors and contractors of materials, supplies and services whether small or large business companies.

3.2 This covers a third party pre-qualification process to be conducted by Dun & Bradstreet.

3.3 This covers the use of SAP Business One software which will be used as a tool in the procurement process.

**4. Responsibility:**

4.1 Procurement department as process owner is responsible in ensuring that this Operational Control Procedure (PRO-OCP-01) is being implemented and enforced.

4.2 Dun & Bradstreet is responsible in processing the pre-qualification documents submitted by the suppliers, vendors and contractors and assessing their capabilities.

4.3 Purchasing Manager is responsible in the approval of accreditation.


**5. Reference:**

PRO-F-01 Suppliers' Accreditation Form

**6. Record:**

System records for list of accredited suppliers



	Title of Manual: Quality, Environment, Safety and Health(QESH) Management System	Doc. No. :	PRO-OCP-01
	Title of Document: <b>SUPPLIER / VENDOR / CONTRACTOR ACCREDITATION</b>	Rev. No.:	01
		Effective Date :	October 1, 2017

## 7. Instruction Details:

### Suppliers, vendors and contractors

- 1) Suppliers, vendors and contractors both current or with active transaction with the company and those aspiring to be accredited, be it small or large business must submit the fully accomplished Supplier Accreditation Form (PRO-F-01) along with the following documents to Dun & Bradstreet through its website for pre-qualification.


#### Accreditation documents:

- a) BIR Certificate of Registration (BIR 2303)\*
- b) SEC Registration for corporations
- c) DTI Registration
- d) Business Permit (City or Municipal)
- e) Applicable permit to purchase, import and supply hazardous materials and supplies:
  - EMB (CCO) for sodium cyanide
  - PDEA for precursor chemicals
  - PNP permit for explosives, explosive accessories and nitric acid and other nitrate
  - PNRI for radioactive materials
- f) Company profile
- g) Audited financial statement of the past three (3) years
- h) Product portfolio

For small time business, only the BIR Certificate of Registration is required.



Procurement Department reserves the right to require additional and/or updated documents whenever this may be deemed necessary.

- 2) Small business companies are those that have a capitalization of one million and below.
- 3) Dun & Bradstreet shall review all submitted documents for authenticity and completeness of such permit/s. Should there be submitted permits or company documents that are found not authentic, such application for accreditation shall automatically be denied.
- 4) Dun & Bradstreet determines the category of such supplier, whether small or large business company.

	Title of Manual: Quality, Environment, Safety and Health(QESH) Management System	Doc. No. : PRO-OCP-01
	Title of Document: <b>SUPPLIER / VENDOR / CONTRACTOR ACCREDITATION</b>	Rev. No.: 01
		Effective Date : June 1, 2017


- 5) Dun & Bradstreet will endorse to the Purchasing Manager those suppliers, vendors and contractors who passed the pre-qualification.
- 6) Procurement Manager will then approve the accreditation of those suppliers, vendors and contractor who passed the pre-qualification and send out a letter advising that they are now accredited to the company, tag them as accredited in the Vendor Integrity Access System (VIA) and may start business.
- 7) The accomplished form shall also be signed by the Procurement Manager and will be filed along with the pertinent permit/s and other documents.
- 8) Purchasing Admin Assistant shall be responsible in compiling the documents and data encoding and maintenance of the supplier master using SAP Business One.

#### 8. Document Control

Prepared by:	 <b>LUNINGNING M. DE LUNA</b> Sr. Purchasing Officer	Document Controller/ Process Owner
Reviewed by:	 <b>NOEL G. TAN</b> Department Manager	Department Manager

#### 8.1 DOCUMENT APPROVAL

**APPROVED BY:**

  
**Gil A. Marvilla**  
**SVP/Resident Manager**  
 Date: \_\_\_\_\_

Page 3 of 3

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**APEX MINING CO., INC.**

Masara, Maco, Davao de Oro



22 February 2025

**Engr. Luis R. Sarmiento, ASEAN Eng.**

President & CEO

APEX MINING CO., INC. (AMCI)

3304-B West Tower, Tektite Towers,

Exchange Road, Ortigas Center, Pasig City, Philippines

Thru: Mr. Billy G. Torres

SVP – Chief Finance Officer, Treasurer and Compliance Officer

Mr. Eric S. Andal, Ph.D.

VP for Geology & Exploration

Dear Sir **Engr. Sarmiento**:

This is in reference to our Annual Report filing related to SEC 17-A for AMCI's Mineral Resources declaration with guidance from the recently passed Philippine Stock Exchange (PSE) Memorandum CN - No. 2025-0002 with subject: "EFFECTIVITY OF THE IMPLEMENTING RULES AND REGULATIONS OF THE PHILIPPINE MINERAL REPORTING CODE 2020 EDITION" dated 8 January 2025.

Please see below our declaration related to the reporting of Exploration Results and Mineral Resources for CY 2024 and with data cut-off date of 31 December 2024.

As an excerpt – in comparison with the previous Mineral Resources estimates of 2021 Technical Report based on contained gold ounces, 1.0 g/t Au cut-off, and net of mining depletion – MPSA-225 resulted with 4% higher Measured Mineral Resource, 17% higher Indicated Mineral Resource, and 200% increase Inferred Mineral Resource. The combined Measure and Indicated Mineral Resources is now at 11 Mt at 4.38 g/t Au with 1.4 Moz Au while 6.2 Mt at 4.4 g/t Au with 800 koz Au for Inferred Mineral Resource attributed to increased underground drilling activity that targeted deeper portions of veins. For MPSA-234, the combined Measured Mineral Resource and Indicated Mineral Resource estimated is 15% higher 1 Mt at 6.11 g/t Au with 190 koz Au. This is mainly due to the upgrading of previously blocked resources to higher Mineral Resource category through the recent drilling campaigns within Parcel IV of MPSA-234-2007-XI. Inferred Mineral Resource is significantly higher, with a 333% increase and now at 830 kt at 5.5 g/t Au with 100 koz Au attributed to most of the drill holes that targeted deeper extensions of veins.

I also wrote below an excerpt from PSE Memorandum CN - No. 2025-0002 for the guidance related to our Mineral Resource for the Annual Report SEC 17-A which is treated as a Public Report by the Philippine Mineral Reporting Code (PMRC) 2020.



# APEX MINING CO., INC.

Masara, Maco, Davao de Oro



Attached also is the signed and sealed Accredited Competent Person's (ACP) consent form, consent statement, and certificates.

Thank you.

Sincerely yours,

**Darwin Edmund L. Riguer, MSc**  
GSP - Life Member & SEG - Fellow  
ACP - Geology Reg No. 20-12-02



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**Excerpt from PSE Memorandum CN - No. 2025-0002, Section 4.5.2 – related to Annual Report**

1. For the Annual reporting of Exploration Results & Mineral Resources in the Annual Report (SEC Form 17-A), there is not a need for a Technical Report and could instead be done through a review with a table of Mineral Resource, and the corresponding consent of the ACP, as in Section 4.5.2:

4.5.2 A summary of the Exploration Results and Exploration Target(s), if any, during the fiscal year should be reported in the annual report by the ACP-Geologist. If a Mineral Property has Mineral Resources and/or Mineral Reserves, the Issuer must also include discussions on such Mineral Resources and/or Mineral Reserves in its annual report by the ACP-Geologist and/or ACP-Mining Engineer, respectively. These discussions must specifically cover all of the following information (see Clause 18, PMRC 2020):

4.5.2.1 A summary of the results of the Issuer's annual review of its Mineral Resources and/or Mineral Reserves. An annual review is a comprehensive review by ACP(s) of an Issuer's declared Mineral Resources and Mineral Reserves estimates for the purpose of identifying any changes related to these estimates during the previous twelve (12) months and determining whether such changes have a material effect on the declared Mineral Resources and/or Mineral Reserves. The annual review should be conducted by the ACP(s).

4.5.2.2 The Issuer's Mineral Resources and/or Mineral Reserves as of the end of the Issuer's fiscal year, classified/categorized on the following basis in tabular form:

- a. By commodity type, including the tonnage (quantity) and grade(s) (quality(ies))
- b. By Mineral Resource category and/or Mineral Reserve category, and
- c. By geographical area based on the materiality of the Mineral Resources and Mineral Reserves to the Issuer

4.5.2.3 A comparison of the Issuer's Mineral Resources and Mineral Reserves for the current year against that from the previous year on the following basis:

- a. By commodity type, including the tonnage (quantity) and grade(s) (quality(ies))
- b. By geographical area based on the materiality of the Mineral Resource and/or Mineral Reserves to the Issuer

4.5.2.4 A summary of the governance arrangement and internal controls that the Issuer has put into place with respect to its estimation process to determine the Mineral Resources and/or Mineral Reserves estimates. (governance arrangement, like internal monitoring)



**Mineral Resource Estimates**

The estimate includes thirty-seven (37) epithermal veins controlled by the steeply dipping NW-trending Masara Fault and the associated WNW to EW structures. The estimated Mineral Resource for **MPSA-225-2005-XI** is summarized in Table 1. Detailed estimates per Mineral Resource classification for each identified domain are presented in [Annex or Appendix Sequence]. The estimate has an effective date of December 31, 2024, which served as the cut-off for the data included in the final database. Mineral Resources are reported above a cut-off grade of 1.0 g/t Au. The estimate has an effective date of December 31, 2024, which served as the cut-off for the data included in the final database. Mineral Resources are reported above a cut-off grade of 1.0 g/t Au.

**Table 1.** Summary of Mineral Resource Estimates for MPSA-225-2005-XI and MPSA-234-2007-XI

<b>MPSA-225-2005-XI</b>			
<b>MINERAL RESOURCES ESTIMATES (1.0 g/t Au cut-off)</b>			
<b>CATEGORY</b>	<b>TONS (Mt)</b>	<b>GRADE Au (g/t)</b>	<b>OUNCES Au (koz)</b>
<b>Measured</b>	3.4	4.77	510
<b>Indicated</b>	7.2	4.20	910
<b>SUB-TOTAL</b>	<b>11</b>	<b>4.38</b>	<b>1,400</b>
<b>Inferred</b>	6.2	4.4	800
<b>MPSA-234-2007-XI</b>			
<b>MINERAL RESOURCE (1.0 g/t Au cut-off)</b>			
<b>CATEGORY</b>	<b>TONS (kt)</b>	<b>GRADE Au (g/t)</b>	<b>OUNCES Au (koz)</b>
<b>Measured</b>	280	6.98	60
<b>Indicated</b>	730	5.78	130
<b>SUB-TOTAL</b>	<b>1,000</b>	<b>6.11</b>	<b>190</b>
<b>Inferred</b>	830	5.5	100

Note: Numbers for Measured Mineral Resource and Indicated Mineral Resource are rounded to second significant figures while first significant figure for Inferred Mineral Resource as prescribed by PMRC 2020.

**Geology and Mineralization**

The mineral property is located in the Southern Pacific Cordillera, a magmatic arc terrane bounded by the left-lateral Philippine Fault to the west and the Philippine Trench to the east. The geology of the tenement consists of a basement dominated by volcanic and volcanoclastic rocks of intermediate composition, locally identified as the Masara Formation, intruded by diorite and its facies of the Masara Intrusive Complex, and overlain by the intermediate volcanic and pyroclastic rocks of the Amacan Volcanic Complex.



# APEX MINING CO., INC.

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The Au-bearing veins in the property are hosted by the Masara Formation and the Masara Intrusive Complex. Mineralization is controlled by structures related to the Philippine Fault. Porphyry Cu-Au deposits and skarn mineralization have also been identified in places within the tenement.

Gold mineralization within the district is polyphasal and generally comprised of massive sulphides, sulphides- and silica-rich breccias, plus quartz, carbonate and Mn-rich carbonates and silicates occurring either as stockworks or exhibiting drusy, vuggy, crustiform-colloform, cockade or colloidal textures.

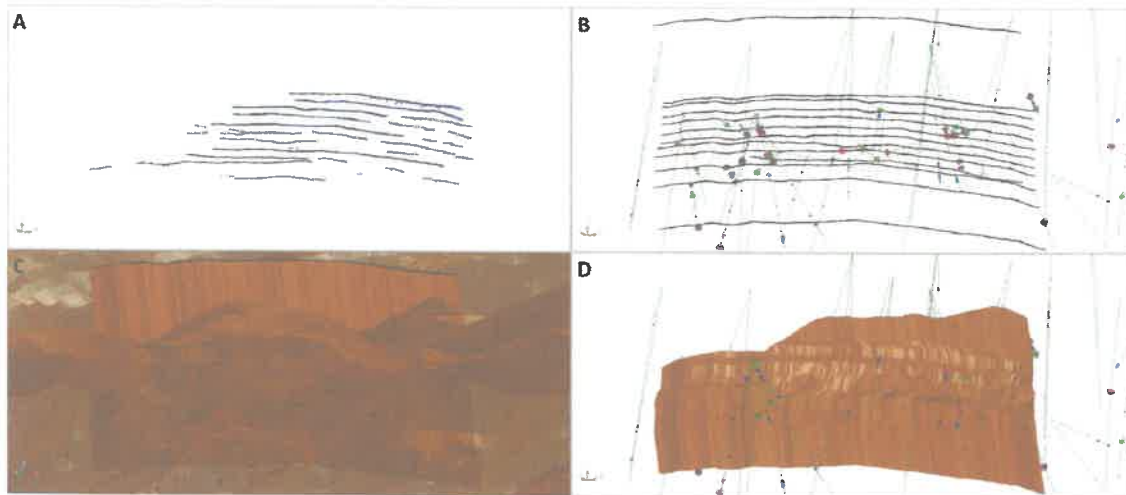
## Estimation Methodology

The geological model was developed using data from underground channel sampling and surface and underground drilling. A total of 74,181 pieces rockchip channel samples from 29,493 development faces were included in the compiled database. Drilling data added 1,429 pieces rockchip drill core split samples flagged as vein intercepts from 763 drill holes with a total meterage of 231,978 m. Out of these totals, 6,720 pieces rockchip channel samples and 110 pieces drill hole composites were identified to be within the six (6) veins estimated for **MPSA-234-2007-XI** with the rest attributed to **MPSA-225-2005-XI**. Samples were secured according to a Quality Assurance and Quality Control (QAQC) system and operational control procedures intended to ensure that samples gathered were denied of unwanted handling at all locations of underground sampling, drill core retrieval, drill core transport, drill core logging, drill core splitting or sample collection, sample preparation, and assaying. All samples were dispatched to an in-house sample preparation and a separate in-house assay facility prepared for geochemical analysis through standard sample preparation procedure of sort, dry (105°C), crush (95% <2mm), riffle split, pulverize with yield of 300 g (95% <75 um). Gold and silver were determined through 50 g fire assay with atomic absorption spectroscopy (AAS) finish. However, gravimetric method was exercised if gold-silver is >2 ppm. Basemetal (Cu, Pb, Zn) concentrations are analyzed by 5 g pulp in aqua regia digestion with subsequent analyte via AAS analysis. Check samples such as duplicates, certified reference material (CRM) standards, blanks independent of laboratory check samples were inserted for every batch of assaying, and were considered acceptable.

Vein solids were interpreted from underground channel samples and drill hole intercepts (Figures 1 and 2). Additionally, for **MPSA-225-2005-XI**, underground development mapping has shown that these veins are usually over one meter wide, and that low grade mineralization also persists in the alteration haloes typically up to a meter away from the vein, supported by assays from sampling. Three domains, the Main Vein (MV), Hanging Wall (HW), and Foot Wall (FW), were then modelled and estimated separately.

A geostatistical approach was adopted in estimation, using the ordinary kriging method for grade interpolation. A block model with dimensions of 15m (height) x 10m (along strike) x 5m (across strike) was used, reflecting the size of the selective mining units. Tonnages were estimated by calculating the volume of each block within the modelled solids multiplied by a uniform specific gravity of 2.6, as supported by sample analysis.

Mineral Resource blocks were classified based on the number and distance of available samples used to estimate each block. Measured blocks are those surrounded by samples from at least four sides, all within one-third of the variogram range. Blocks with at least two samples within two-thirds of the range are classified as Indicated, and those with at least one sample within the range are classified as Inferred. In cases where the interpreted solids extend beyond the range of the farthest sample, these portions were not included in the estimate.



**Figure 1.** Vein Modelling Procedure: (A) UG rockchip channel samples used for modelling loaded in 3D (B) Interpreted vein outlines (C) Vein solid rendered from the interpreted sections (D) Final solid clipped to topography



**Figure 2.** Final Vein Models with the outlines of MPSA-225-2005-XI (green) and MPSA-234-2007-XI (orange)

### Comparison with the Previous Mineral Resources Estimates

For **MPSA-225-2005-XI**, compared to the Mineral Resources estimated in the 2021 Technical Report<sup>1</sup>, based on contained gold ounces and net of mining depletion, the Measured Mineral Resource is 4% higher while the Indicated Mineral Resource is 17% higher. This is due to the upgrading of previously blocked resources to higher Mineral Resources category through mine development. The Inferred Mineral Resource is significantly higher with a 200% increase attributed to increased underground drilling activity, mostly targeting the deeper portions of the veins. For **MPSA-234-2007-XI**, the combined Measured Mineral Resource and Indicated Mineral Resource estimated is 15% higher based on contained gold ounces compared to the figures in the 2021 Technical Report<sup>1</sup>, net of mining depletion. This is mainly due to the upgrading of previously blocked resources to higher Mineral Resource category through the recent drilling campaigns within **Parcel IV** of **MPSA-234-2007-XI**. Inferred Mineral Resource is significantly higher, with a 333% increase





# APEX MINING CO., INC.

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over the previous estimate, which is attributed to most of the drill holes targeting the deeper extensions of the veins.

**Table 2.** Comparison with the Previous Estimate of MPSA-225-2005-XI and MPSA-234-2007-XI

CATEGORY	MPSA-225-2005-XI					
	2024 Mineral Resources Estimates			2021 Mineral Resources Estimates		
	TONS (Mt)	GRADE Au (g/t)	OUNCES Au (koz)	TONS (Mt)	GRADE Au (g/t)	OUNCES Au (koz)
<b>Measured</b>	3.4	4.77	510	3.2	4.8	490
<b>Indicated</b>	7.2	4.20	910	5.4	4.5	780
<b>SUB-TOTAL</b>	<b>10.6</b>	<b>4.38</b>	<b>1,400</b>	<b>8.6</b>	<b>4.6</b>	<b>1,300</b>
<b>Inferred</b>	6.2	4.4	800	2.8	4.5	400

CATEGORY	MPSA-234-2007-XI					
	2024 Mineral Resources Estimates			2021 Mineral Resources Estimates		
	TONS (kt)	GRADE Au (g/t)	OUNCES Au (koz)	TONS (kt)	GRADE Au (g/t)	OUNCES Au (koz)
<b>Measured</b>	280	6.98	60	320	7.4	76
<b>Indicated</b>	730	5.78	130	520	5.3	89
<b>SUB-TOTAL</b>	<b>1,000</b>	<b>6.11</b>	<b>190</b>	<b>840</b>	<b>6.1</b>	<b>170</b>
<b>Inferred</b>	830	5.5	100	180	4.5	30

Note: Numbers for Measured Mineral Resource and Indicated Mineral Resource are rounded to second significant figures while rounded to first significant figure for Inferred Mineral Resource for both 2021 and 2024 Mineral Resources Estimates to conform with PMRC 2020.

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# APEX MINING CO., INC.

Masara, Maco, Davao de Oro



PRC PIC Registration No. 0001684 /

Valid Until 01 January 2028

**Geological Society of the Philippines**  
Professional Representative Organization of  
the ACP

ACP ID No. 20-12-02 / Valid Until  
01 January 2028

Professional Tax Receipt No. DDO2586775 /  
Issued at Davao de Oro on 21 January 2025

## ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES) CITY OF PASIG CITY ) SS.

BEFORE ME, this MAR 14 2025 day of \_\_\_\_\_, 20\_\_\_\_, personally appeared before me \_\_\_\_\_ with PRC Professional Identification Card with Registration No. 0001684 valid until 01 January 2028, known to me to be the same person who executed this instrument which he/she acknowledged before me as his/her free and voluntary act and deed.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed my notarial seal on the date and at the place first above written.

Doc. No. 470;  
Page No. 95;  
Book No. 54;  
Series of 2025

**FERDINAND D. AYAHAO** NOTARY PUBLIC  
*Notary Public*

For and in Pasig City and the Municipality of Pateros  
Appointment No. 96 (2024-2025) valid until 12/31/2025  
MCLC Exemption No. VII-DEP003234, until 04/14/28  
Roll No. 46377; IBP LRN 02459; OR 535886; 06/21/2001  
TIN 123-011-785; PTR 2831461AA; 01/03/25; Pasig City  
U-5, G/F West Tower PSE, Exchange Road  
Ortigas Center, Pasig City Tel.+632-86314090



**APEX MINING CO., INC.**

Masara, Maco, Davao de Oro



**ACCREDITED COMPETENT PERSON'S CONSENT FORM AND CONSENT STATEMENT,  
AND CERTIFICATES**

**Accredited Competent Person's Consent Form**

Pursuant to the requirements under the prevailing Philippine Stock Exchange, Inc.'s Consolidated Listing and Disclosure Rules, as amended, and Clause 10 of the Philippine Mineral Reporting Code 2020 Edition (the "Consent Statement")

Public Report to be Publicly Released:

**SEC Form 17-A – Annual Report Pursuant to Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code of the Philippines**

Name of Company releasing the Public Report:

**APEX MINING CO., INC.**

Name of Mineral Deposit to which the Public Report refers to:

**Maco Mine**

Data Cut-off Date:

**31 December 2024**

Report Date:

**28 February 2025**

**Consent Statement**

I, Darwin Edmund L. Riguer, confirm that I am the Accredited Competent Person for the Public Report, and that:

- I am a Geologist residing at 4226 Flora Vista Condominium, Peacock St., Fairview, Quezon City, Metro Manila.
- I have read and understood the requirements of the 2020 Edition of the Philippine Mineral Reporting Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (PMRC 2020 Edition).
- I certify that the Public Report has been prepared in accordance with the PMRC 2020 Edition and its Implementing Rules and Regulations.
- I am an Accredited Competent Person-Geologist as defined by the PMRC 2020 Edition, having a minimum of five years relevant experience in the style of mineralization and type of Mineral Deposit described in the Public Report, and to the activity for which I am accepting responsibility.
- I am a Life Member of the Geological Society of the Philippines.



# APEX MINING CO., INC.

Masara, Maco, Davao de Oro



- I am the Exploration Manager of Maco Mine – Apex Mining Co., Inc. (AMCI). I am not a holder of shares, options and/or warrant, tenement rights, and has no landlord-lessee relationship of land and/or infrastructure which has bearing in the Public Report.
- I assume responsibility for the following sections/portions of the Mineral Resource (Part 1, Item 1 – Mineral Resource) of the Public Report. I have overseen Isaac Norman D. Rivera (Apex Mining Co., Inc. (AMCI) Resource Geologist), on his calculation, compilation, data verification/validation, data interpretation, and writing of the Mineral Resource (Part 1, Item 1 – Mineral Resource) of the Public Report. I have also overseen Fianza T. Lab-oyan (Apex Mining Co., Inc. (AMCI) Geology Manager and Assistant Resident Manager-Maco Mine), Noe C. Caagusan (Apex Mining Co., Inc. (AMCI) Chief Geologist), Eric S. Andal (Apex Mining Co., Inc. (AMCI) VP for Geology and Exploration), all duly PRC-registered Geologists, on their co-supervision, calculation, compilation, data verification/validation, data interpretation, and writing of the Mineral Resource (Part 1, Item 1 – Mineral Resource) of the Public Report.
- I have reviewed the Public Report to which this Consent Statement applies.
- I have disclosed to the reporting company the full nature of the relationship between myself and the company, including any issues that could be perceived by investors as a conflict of interest.
- I verify that the Public Report is based on, and fairly and accurately reflect in the form and context in which it appears, the information in my supporting documentation relating to Mineral Resources; and to the best of my knowledge, all technical information that are required to make this Public Report not misleading, have been included.
- I have conducted Data Verification and Data Validation of the data disclosed in the Public Report.
- I have attached to this Consent Statement copies of my relevant Professional Regulation Commission (PRC) professional identification card (PIC), Accredited Competent Person identification card (or accreditation certificate), and Professional Tax Receipt.

## Consent

I consent to the release and public disclosure of the Public Report and this Consent Statement by the Board of Directors of APEX MINING CO., INC. for the purpose of the filing of SEC Form 17-A – Annual Report Pursuant to Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code of the Philippines for calendar year 2024 only. For the avoidance of doubt, any extracts or summary of the said Public Report for purposes other than the foregoing would require my prior written consent.

**Darwin Edmund L. Riguer**  
Accredited Competent Person

**2025 FEBRUARY 28**

Date



# APEX MINING CO., INC.

Masara, Maco, Davao de Oro



**ACCREDITED COMPETENT PERSON GEOLOGIST**

NAME: **DARWIN EDMUND L. RIGUER**

ACP No.: **20-12-02**

PRC ID No.: **1 6 8 4**

VALID UNTIL: **January 01, 2028**

Republic of the Philippines  
**PROFESSIONAL REGULATION COMMISSION**  
**PROFESSIONAL IDENTIFICATION CARD**

LAST NAME: **RIGUER**

FIRST NAME: **DARWIN EDMUND**

MIDDLE NAME: **LUMABAN**

REGISTRATION NO.: **0001684**

REGISTRATION DATE: **10/06/2008**

VALID UNTIL: **01/01/2028**

**GEOLOGIST**

This is to certify that the person whose name, signature and photo appear in this card is an ACCREDITED COMPETENT PERSON registered under the Competent Person Guidelines of the Geological Society of the Philippines and the Philippine Mineral Reporting Code.

*Darwin Riguer*  
**DARWIN EDMUND L. RIGUER**

*Cicron Angeles Jr.*  
**CICRON A. ANGELES, JR.**  
Chair  
Competent Person Accreditation Committee

*Kevin L. Garas*  
**KEVIN L. GARAS, PhD**  
President  
Geological Society of the Philippines

If found, kindly email contact@pmrc.org.ph or write message to [info@www.prc.gov.ph](mailto:info@www.prc.gov.ph) or [pmrc@www.prc.gov.ph](mailto:pmrc@www.prc.gov.ph) (1531444772672)

Email: [pmrc@www.prc.gov.ph](mailto:pmrc@www.prc.gov.ph)  
<http://www.prc.gov.ph>

Professional Regulation Commission  
[www.prc.gov.ph](http://www.prc.gov.ph)

**CERTIFICATION**

24-7750399

This is to certify that the person whose name, photograph, and signature appear herein is a duly registered professional, legally authorized to practice his/her profession with all the rights and privileges appurtenant thereto.

This is to certify further that his/she is a professional in good standing and that his/her certificate of registration/professional license has not been suspended, revoked or withdrawn.

*Darwin Riguer*  
Signature of Professional

*Charito A. Zamora*  
**CHARITO A. ZAMORA**  
Chairperson

*Darwin Riguer*

**ACCREDITED COMPETENT PERSON CERTIFICATE**

The **GEOLOGICAL SOCIETY OF THE PHILIPPINES (GSP)**  
hereby certifies that

**DARWIN EDMUND L. RIGUER**  
ACP Registration No.: 20-12-02

is a current and active Accredited Competent Person in Geology ("ACP – Geology") as prescribed by the Philippine Mineral Reporting Code 2020 Edition since December 5, 2020, who agrees to be bound by the Code of Ethics for Geologists, and holds this accreditation until January 1, 2028.

Issued on this 14<sup>th</sup> day of February 2025.

*Cicron Angeles Jr.*  
**CICRON A. ANGELES, Jr.**  
Chairperson  
GSP - Mineral Reporting Code Committee

*Kevin L. Garas*  
**KEVIN L. GARAS, PhD**  
President, GSP





# APEX MINING CO., INC.

Masara, Maco, Davao de Oro



OFFICIAL RECEIPT		
Republic of the Philippines <b>OFFICE OF THE TREASURER</b> Province of Davao De Oro		
Accountable Form No. 51 (Revised August 1994)	ORIGINAL	
DATE January 21, 2025	NO. <b>DDO2586775</b> DDO2586775	
PAYOR DAVAO DE ORO RIGUER, DARWIN EDMUND L. APEX	FUND	
NATURE OF COLLECTION	ACCOUNT CODE	AMOUNT
PROFESSIONAL TAX-OTHERS (GEOLOGIST)	403-2	₱ 395.00
<b>TOTAL</b>		₱
AMOUNT IN WORDS		395.00
<input type="checkbox"/> Cash <input type="checkbox"/> Check <input type="checkbox"/> Money Order	DRAWEE BANK	NUMBER      DATE
Received the amount stated above		
By:		
_____ GRACE V. QUINTANA, CPA COLLECTION OFFICER		
NOTE: Write the number and date of this receipt on the back of check or money order received.		

Manila Office: 3304B West Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City, Philippines  
 Davao Office: Door 27, JEVA Building, Villa Abrille, Quirino Avenue, Davao City  
 Tagum Warehouse: Warehouse No. 1, Ke Ren Sons Compound, Purok Maharlika, Brgy. Magugpo East, Tagum City  
 Mine Site: Masara, Maco, Davao de Oro, Philippines

Tel No.: 706-2805/706-2806      Fax No.: 706-2804  
 Tel No.: (082) 234-3192      Fax No.: (082) 235-1191

"One Team One Goal"

## MINERAL RESERVE DECLARATION

Apex Mining Co., Inc.  
3304B West Tower, Tektite Towers,  
Exchange Road, Ortigas Center, Pasig City

February 28, 2025

### Mineral Reserve Estimate for MPSA-225-2005-XI

Apex Mining Co., Inc. ("the Company") is pleased to announce the updated Mineral Reserve Estimate ("MRE") for the veins delineated within **MPSA-225-2005-XI** (679.02 ha) with an effective date of December 31, 2024. The estimate has been prepared in accordance with the guidelines of the Philippine Mineral Reporting Code (PMRC).

#### Summary of the Mineral Reserve Estimates

The remaining Mineral Reserves are summarized in Table 1 with details in Table 2.

Table 1. Summary of Mineral Reserve Estimates for MPSA-225-2005-XI

MINERAL RESERVE (1.2 g/t Au cut-off)			
MPSA-225-2005-XI	TONS (t)	GRADE (g/t)	OUNCES Au
Measured	3,479,000	4.61	514,000
Indicated	6,418,000	3.95	817,000
<b>SUB-TOTAL</b>	<b>9,897,000</b>	<b>4.18</b>	<b>1,331,000</b>

#### Notes:

1. The Mineral Reserve Estimate was based on the updated "*Mineral Resource Estimate for MPSA-225-2005-XI as of December 31, 2024*" prepared by Darwin Edmund L. Riguer, a Competent Person under the definition of the PMRC.
2. Only Measured and Indicated resources were converted to Mineral Reserves
3. A metal price of US\$2,500/oz Au was used to reflect recent global trends.
4. An exchange rate of 55.67 from Php to USD was used (2023 realized rate).
5. Operating parameters assumed were based on the actual figures realized in 2023. These include 87.5% plant recovery, 99% net smelter return, mining cost of US\$59.6/ton, processing cost of US\$20.1/ton and overhead cost of US\$11.7/ton.
6. Mineral Reserves are reported above a cut-off grade of 1.2 g/t Au.



**Constancio A. Paye, Jr.**  
Registered Mining Engineer, Lic. No. 1292  
CP Accreditation No. EM-ACP-074-0001292  
Valid until: November 20, 2027

The Mineral Reserve Estimate was prepared by Constancio A. Paye Jr., Consultant of Apex Mining Co., Inc., who has sufficient experience relevant to the type of deposit and methods of mining. Engr. Paye is a Competent Person under the definition of the Philippine Mineral Reporting Code (PMRC). He has reviewed the information contained in this release and has given his consent to the Public Reporting of this statement concerning Mineral Reserve Estimation.

Table 2. Mineral Reserve Estimates for MPSA-225-2005-XI

1.2 g/t Au CUT-OFF MPSA-225-2005-XI	PROVED			PROBABLE			TOTAL		
	TONS	GRADE	OUNCES	TONS	GRADE	OUNCES	TONS	GRADE	OUNCES
BNZ MV	159,000	3.91	20,000	318,000	3.24	33,000	477,000	3.46	53,000
BES1 MV	5,000	2.32	0	36,000	2.21	3,000	41,000	2.22	3,000
BES2 MV	5,000	4.71	1,000	43,000	4.21	6,000	48,000	4.26	7,000
BHWS MV	111,000	5.10	18,000	536,000	4.54	78,000	647,000	4.64	96,000
BHWS HWS	54,000	4.86	8,000	103,000	4.23	14,000	157,000	4.45	22,000
BHWS FWS	32,000	7.78	8,000	34,000	7.51	8,000	66,000	7.64	16,000
MAS MV	152,000	6.34	31,000	145,000	5.20	24,000	297,000	5.78	55,000
MAS HWS	41,000	3.93	5,000	74,000	3.32	8,000	115,000	3.54	13,000
BEK MV	45,000	4.40	6,000	72,000	3.87	9,000	117,000	4.07	15,000
SDN MV	743,000	4.44	106,000	883,000	3.62	103,000	1,626,000	3.99	209,000
SDYS 60S	31,000	6.64	7,000	35,000	6.02	7,000	66,000	6.31	14,000
SDYS 90S	23,000	4.39	3,000	19,000	4.84	3,000	42,000	4.59	6,000
SDYS 107S	23,000	3.34	2,000	123,000	3.67	15,000	146,000	3.62	17,000
SDYS 110S	102,000	6.30	21,000	99,000	5.44	17,000	201,000	5.88	38,000
SDYS 120S	105,000	3.71	13,000	69,000	3.33	7,000	174,000	3.56	20,000
SDYS 132S	176,000	5.17	29,000	129,000	3.60	15,000	305,000	4.51	44,000
SSV1	29,000	4.36	4,000	18,000	3.04	2,000	47,000	3.85	6,000
SSV2	38,000	4.69	6,000	5,000	3.71	1,000	43,000	4.58	7,000
SDN2 MV	251,000	4.83	39,000	459,000	4.13	61,000	710,000	4.38	100,000
SDN2 SPLIT	93,000	3.88	12,000	91,000	3.19	9,000	184,000	3.54	21,000
JES MV	32,000	4.31	4,000	191,000	4.91	30,000	223,000	4.82	34,000
SDN3 MV	15,000	1.85	1,000	73,000	2.15	5,000	88,000	2.10	6,000
SDN4 MV	157,000	4.20	21,000	163,000	3.40	18,000	320,000	3.79	39,000
SDN4 SPLIT	0	0.00	0	39,000	3.22	4,000	39,000	3.22	4,000
MAI MV	142,000	3.20	15,000	490,000	3.27	52,000	632,000	3.25	67,000
MAI HWS1	52,000	3.72	6,000	105,000	2.84	10,000	157,000	3.13	16,000
MAI HWS2	135,000	4.17	18,000	248,000	3.86	31,000	383,000	3.97	49,000
WGS MV	59,000	3.29	6,000	282,000	2.68	24,000	341,000	2.79	30,000
DNC MV	245,000	4.27	34,000	428,000	4.05	56,000	673,000	4.13	90,000
DNC SPLIT	14,000	3.09	1,000	30,000	3.09	3,000	44,000	3.09	4,000
MST2 MV	120,000	3.85	15,000	360,000	3.35	39,000	480,000	3.48	54,000
MST2 FWS	15,000	6.32	3,000	44,000	5.62	8,000	59,000	5.80	11,000
DNF MV	75,000	6.91	17,000	142,000	6.27	29,000	217,000	6.49	46,000
DNJ MV	92,000	5.24	15,000	348,000	4.86	54,000	440,000	4.94	69,000
DNM MV	108,000	5.55	19,000	184,000	5.23	31,000	292,000	5.35	50,000
<b>TOTAL</b>	<b>3,479,000</b>	<b>4.61</b>	<b>514,000</b>	<b>6,418,000</b>	<b>3.95</b>	<b>817,000</b>	<b>9,897,000</b>	<b>4.18</b>	<b>1,331,000</b>

*OK*



**ACKNOWLEDGEMENT**

**REPUBLIC OF THE PHILIPPINES(CITY OF PASIG CITY ) ss.**

BEFORE ME, this \_\_\_\_\_ day of MAR 14 2025, personally appeared before me \_\_\_\_\_ with PRC Professional Identification Card with Registration No. 0001292 valid until 12/24/2027, known to me to be the same person who executed this instrument which he/she acknowledged before me as his/her free and voluntary act and deed.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed my notarial seal on the date and at the place first above written.

Doc. No. 472 ;  
Page No. 94 ;  
Book No. 54 ;  
Series of 2024 .

**NOTARY PUBLIC**

**FERDINAND D. AYAHAO**  
*Notary Public*  
For and in Pasig City and the Municipality of Pateros  
Appointment No. 96 (2024-2025) valid until 12/31/2025  
MCLE Exemption No. VIII-BEP003234, until 04/14/28  
Roll No. 46377; IBP LRN 02459; OR 535886; 06/21/2001  
TIN 123-011-785; PTR 2#31461AA; 01/03/25; Pasig City  
U-5, G/F West Tower PSE, Exchange Road  
Ortigas Center, Pasig City Tel. +632-86314090

**ACCREDITED COMPETENT PERSON'S CONSENT FORM AND CONSENT  
STATEMENT, AND CERTIFICATES**

**Accredited Competent Person's Consent Form**

Pursuant to the requirements under the prevailing Philippine Stock Exchange, Inc.'s Consolidated Listing and Disclosure Rules, as amended, and Clause 10 of the Philippine Mineral Reporting Code 2020 Edition (the "Consent Statement")

Public Report to be Publicly Released:

**SEC Form 17-A - Annual Report Pursuant to Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code of the Philippines and Press Release**

Name of Company releasing the Public Report:

**APEX MINING CO., INC.**

Name of Mineral Deposit to which the Public Report refers to:

**Maco Mine**

Data Cut-off Date:

**31 December 2024**

Report Date:

**28 February 2025**

**Consent Statement**

I, Constancio A. Paye Jr., confirm that I am the Accredited Competent Person for the Public Report, and that:

- I am a Mining Engineer residing at 12 Platinum St., Phase 2 Monte Maria Subdivision, Catalunan Grande, Davao City
- I have read and understood the requirements of the 2020 Edition of the Philippine Mineral Reporting Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (PMRC 2020 Edition).
- I certify that the Public Report has been prepared in accordance with the PMRC 2020 Edition and its Implementing Rules and Regulations.
- I am an Accredited Competent Person-Mining Engineer as defined by the PMRC 2020 Edition, having a minimum of five years relevant experience in the style of mineralization and type of Mineral Deposit described in the Public Report, and to the activity for which I am accepting responsibility.
- I am a Life Member of the Philippine Society of Mining Engineers (PSEM), MAEM International Inc., Davao City Chapter.
- I am a Consultant of Maco Mine — Apex Mining Co., Inc. (AMCI). I am not a holder of shares, options and/or warrant, tenement rights, and has no landlord-lessee relationship of land and/or infrastructure which has bearing in the Public Report.

- I assume responsibility for the Mineral Reserve Declaration for MPSA-225-2005-XI and MPSA-234-2007-XI of the Public Report prepared under my supervision.
- I have reviewed the Public Report to which this Consent Statement applies.
- I have disclosed to the reporting company the full nature of the relationship between myself and the company, including any issues that could be perceived by investors as a conflict of interest.
- I verify that the Public Report is based on, and fairly and accurately reflect in the form and context in which it appears, the information in my supporting documentation relating to Mineral Reserves; and to the best of my knowledge, all technical information that are required to make this Public Report not misleading, have been included.
- I have conducted Data Verification and Data Validation of the data disclosed in the Public Report.
- I have attached to this Consent Statement copies of my relevant Professional Regulation Commission (PRC) professional identification card (PIC), Accredited Competent Person identification card (or accreditation certificate), and Professional Tax Receipt.

#### **Consent**

I consent to the release and public disclosure of the Public Report and this Consent Statement by the Board of Directors of APEX MINING CO., INC. for the purpose of the filing of SEC Form 17-A-Annual Report Pursuant to Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code of the Philippines for calendar year 2024 only. For the avoidance of doubt, any extracts or summary of the said Public Report for purposes other than the foregoing would require my prior written consent.

  
Constancio A. Paye, Jr.

**Name and Signature**  
Accredited Competent Person

February 28, 2025

Date



Republic of the Philippines

**PROFESSIONAL REGULATION COMMISSION**  
**PROFESSIONAL IDENTIFICATION CARD**



LAST NAME	▶	<b>PAYE</b>
FIRST NAME	▶	<b>CONSTANCIO JR</b>
MIDDLE NAME	▶	<b>ALARVA</b>
REGISTRATION NO.	▶	<b>0001292</b>
REGISTRATION DATE	▶	<b>12/19/1977</b>
VALID UNTIL	▶	<b>12/24/2027</b>

**MINING ENGINEER**







**PHILIPPINE SOCIETY OF MINING ENGINEERS, INC.**

# CERTIFICATE

To All Men to Whom These Present May Come

**GREETINGS!**

Be it known that by virtue of the authority vested in the Philippine Society of Mining Engineers, Inc. (PSEM), and pursuant to the Provisions of the Philippine Mineral Reporting Code (PMRC),  
The PSEM Board of Directors hereby certifies

**ENGR. CONSTANCIO A. PAYE, JR.**

as an

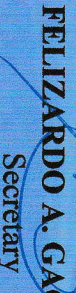
**ACCREDITED COMPETENT PERSON**  
(Mining Engineering)

Accreditation Number **EM-ACP-074-0001292**

by virtue of Board Resolution No. 2024-010 Series of 2024 dated November 10, 2024

Given this 21<sup>st</sup> day of November 2024

  
**FRANCISCO J. ARAÑES, JR.**  
President

  
**FELIZARDO A. GACJAD, JR.**  
Secretary





**OFFICIAL RECEIPT**  
Republic of the Philippines  
CITY OF DAVAO  
OFFICE OF THE CITY TREASURER



Accountable Form No. 51 Revised August 1994	0000924327 D ORIGINAL
DATE 01/15/2025	NO. 0924327 D

PAYOR CONSTANCIO ALARVA PAYE JR. 12 PLATINUM ST., MONTE MARIA 2, CATALUNAN, DAVAO C	FUND
--	------

PROFESSIONAL TAX NATURE OF COLLECTION	ACCOUNT CODE	AMOUNT
Profession 40101020-2-1		300.00
PTR-2025, MINING ENGINEER LIC# 0001292, EXP: 12-24 2027 RENEWAL		
OPREFID: PTR-25-49420001292		
		300.00
Three Hundred Pesos		
CASH		
<b>TOTAL</b>		<b>P</b>
R.N. YANCA		ATTY. LAWRENCE D.
AMOUNT IN WORDS: 2025-01-15 10:17:21		BANTIDING

<input type="checkbox"/> Cash <input type="checkbox"/> Check <input type="checkbox"/> Money Order	DRAWEE BANK	NUMBER	DATE

Received the amount stated above

\_\_\_\_\_ Revenue Collector  
\_\_\_\_\_ City Treasurer

Note: Write the number and date of this receipt on the back of check or money order received.

## MINERAL RESERVE DECLARATION

Apex Mining Co., Inc.  
3304B West Tower, Tektite Towers,  
Exchange Road, Ortigas Center, Pasig City

February 28, 2025

### Mineral Reserve Estimate for MPSA-234-2007-XI

Apex Mining Co., Inc. ("the Company") is pleased to announce the updated Mineral Reserve Estimate ("MRE") for the veins delineated within **MPSA-234-2007-XI** (1,558.53 ha) with an effective date of December 31, 2024. The estimate has been prepared in accordance with the guidelines of the Philippine Mineral Reporting Code (PMRC).

#### Summary of the Mineral Reserve Estimates


The remaining Mineral Reserves are summarized in Table 1 with details in Table 2.

Table 1. Summary of Mineral Reserve Estimates for MPSA-234-2007-XI

MINERAL RESERVE (1.2 g/t Au cut-off)			
MPSA-234-2007-XI	TONS (t)	GRADE (g/t)	OUNCES Au
Proved	277,000	6.90	60,000
Probable	658,000	5.71	121,000
<b>TOTAL</b>	<b>935,000</b>	<b>6.06</b>	<b>181,000</b>

#### Notes:

1. The Mineral Reserve Estimate was based on the updated "Mineral Resource Estimate for MPSA-234-2007-XI as of December 31, 2024" prepared by Darwin Edmund L. Riguer, a Competent Person under the definition of the PMRC.
2. Only Measured and Indicated resources were converted to Mineral Reserves
3. A metal price of US\$2,500/oz Au was used to reflect recent global trends.
4. An exchange rate of 55.67 from Php to USD was used (2023 realized rate).
5. Operating parameters assumed were based on the actual figures realized in 2023. These include 87.5% plant recovery, 99% net smelter return, mining cost of US\$59.6/ton, processing cost of US\$20.1/ton and overhead cost of US\$11.7/ton.
6. Mineral Reserves are reported above a cut-off grade of 1.2 g/t Au.

  
**Constancio A. Paye, Jr.**  
Registered Mining Engineer, Lic. No. 1292  
CP Accreditation No. EM-ACP-074-0001292  
Valid until: November 20, 2027

The Mineral Reserve Estimate was prepared by Constancio A. Paye Jr., Consultant of Apex Mining Co., Inc., who has sufficient experience relevant to the type of deposit and methods of mining. Engr. Paye is a Competent Person under the definition of the Philippine Mineral Reporting Code (PMRC). He has reviewed the information contained in this release and has given his consent to the Public Reporting of this statement concerning Mineral Reserve Estimation.

**Table 2. Mineral Reserve Estimates for MPSA-234-2007-XI**

1.2 g/t Au CUT-OFF	PROVED			PROBABLE			TOTAL		
	MP SA-234-2005-XI	TONS	GRADE	OUNCES	TONS	GRADE	OUNCES	TONS	GRADE
DNF MV	43,000	6.69	9,000	138,000	6.45	29,000	181,000	6.51	38,000
DNJ MV	31,000	7.24	7,000	98,000	6.80	21,000	129,000	6.91	28,000
STF MV	135,000	8.35	36,000	213,000	5.92	41,000	348,000	6.86	77,000
STF FWS	23,000	3.20	2,000	64,000	5.38	11,000	87,000	4.80	13,000
STV MV	45,000	4.41	6,000	145,000	4.10	19,000	190,000	4.17	25,000
<b>TOTAL</b>	<b>277,000</b>	<b>6.90</b>	<b>60,000</b>	<b>658,000</b>	<b>5.71</b>	<b>121,000</b>	<b>935,000</b>	<b>6.06</b>	<b>181,000</b>

*AB*



Table 2. Mineral Reserve Estimates for MPSA-234-2007-XI

1.2 g/t Au CUT-OFF	PROVED			PROBABLE			TOTAL		
	TONS	GRADE	OUNCES	TONS	GRADE	OUNCES	TONS	GRADE	OUNCES
DNF MV	43,000	6.69	9,000	138,000	6.45	29,000	181,000	6.51	38,000
DNJ MV	31,000	7.24	7,000	98,000	6.80	21,000	129,000	6.91	28,000
STF MV	135,000	8.35	36,000	213,000	5.92	41,000	348,000	6.86	77,000
STF FWS	23,000	3.20	2,000	64,000	5.38	11,000	87,000	4.80	13,000
STV MV	45,000	4.41	6,000	145,000	4.10	19,000	190,000	4.17	25,000
<b>TOTAL</b>	<b>277,000</b>	<b>6.90</b>	<b>60,000</b>	<b>658,000</b>	<b>5.71</b>	<b>121,000</b>	<b>935,000</b>	<b>6.06</b>	<b>181,000</b>

*Handwritten signature/initials*

**ACKNOWLEDGEMENT**

**PASIG CITY**

REPUBLIC OF THE PHILIPPINES (CITY OF \_\_\_\_\_) SS.

**MAR 14 2025**

BEFORE ME, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, personally appeared before me \_\_\_\_\_ with PRC Professional Identification Card with Registration No. 0001292 valid until 12/24/2027, known to me to be the same person who executed this instrument which he/she acknowledged before me as his/her free and voluntary act and deed.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed my notarial seal on the date and at the place first above written.

Doc. No. 471 ;  
 Page No. 96 ;  
 Book No. SP ;  
 Series of 2024

**FERDINAND D. AYAHAO** NOTARY PUBLIC  
*Notary Public*

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

**ACCREDITED COMPETENT PERSON'S CONSENT FORM AND CONSENT  
STATEMENT, AND CERTIFICATES**

**Accredited Competent Person's Consent Form**

Pursuant to the requirements under the prevailing Philippine Stock Exchange, Inc.'s Consolidated Listing and Disclosure Rules, as amended, and Clause 10 of the Philippine Mineral Reporting Code 2020 Edition (the "Consent Statement")

Public Report to be Publicly Released:

**SEC Form 17-A - Annual Report Pursuant to Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code of the Philippines and Press Release**

Name of Company releasing the Public Report:

**APEX MINING CO., INC.**

Name of Mineral Deposit to which the Public Report refers to:

**Maco Mine**

Data Cut-off Date:

**31 December 2024**

Report Date:

**28 February 2025**

**Consent Statement**

I, Constancio A. Paye Jr., confirm that I am the Accredited Competent Person for the Public Report, and that:

- I am a Mining Engineer residing at 12 Platinum St., Phase 2 Monte Maria Subdivision, Catalunan Grande, Davao City
- I have read and understood the requirements of the 2020 Edition of the Philippine Mineral Reporting Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (PMRC 2020 Edition).
- I certify that the Public Report has been prepared in accordance with the PMRC 2020 Edition and its Implementing Rules and Regulations.
- I am an Accredited Competent Person-Mining Engineer as defined by the PMRC 2020 Edition, having a minimum of five years relevant experience in the style of mineralization and type of Mineral Deposit described in the Public Report, and to the activity for which I am accepting responsibility.
- I am a Life Member of the Philippine Society of Mining Engineers (PSEM), MAEM International Inc., Davao City Chapter.
- I am a Consultant of Maco Mine — Apex Mining Co., Inc. (AMCI). I am not a holder of shares, options and/or warrant, tenement rights, and has no landlord-lessee relationship of land and/or infrastructure which has bearing in the Public Report.

- I assume responsibility for the Mineral Reserve Declaration for MPSA-225-2005-XI and MPSA-234-2007-XI of the Public Report prepared under my supervision.
- I have reviewed the Public Report to which this Consent Statement applies.
- I have disclosed to the reporting company the full nature of the relationship between myself and the company, including any issues that could be perceived by investors as a conflict of interest.
- I verify that the Public Report is based on, and fairly and accurately reflect in the form and context in which it appears, the information in my supporting documentation relating to Mineral Reserves; and to the best of my knowledge, all technical information that are required to make this Public Report not misleading, have been included.
- I have conducted Data Verification and Data Validation of the data disclosed in the Public Report.
- I have attached to this Consent Statement copies of my relevant Professional Regulation Commission (PRC) professional identification card (PIC), Accredited Competent Person identification card (or accreditation certificate), and Professional Tax Receipt.

#### **Consent**

I consent to the release and public disclosure of the Public Report and this Consent Statement by the Board of Directors of APEX MINING CO., INC. for the purpose of the filing of SEC Form 17-A-Annual Report Pursuant to Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code of the Philippines for calendar year 2024 only. For the avoidance of doubt, any extracts or summary of the said Public Report for purposes other than the foregoing would require my prior written consent.

  
Constancio A. Paye, Jr.

**Name and Signature**  
Accredited Competent Person

February 28, 2025

Date



Republic of the Philippines

**PROFESSIONAL REGULATION COMMISSION**  
**PROFESSIONAL IDENTIFICATION CARD**



LAST NAME	▶ PAYE
FIRST NAME	▶ CONSTANCIO JR
MIDDLE NAME	▶ ALARVA
REGISTRATION NO.	▶ 0001292
REGISTRATION DATE	▶ 12/19/1977
VALID UNTIL	▶ 12/24/2027

**MINING ENGINEER**







**PHILIPPINE SOCIETY OF MINING ENGINEERS, INC.**

# **CERTIFICATE**

To All Men to Whom These Present May Come

**GREETINGS!**

Be it known that by virtue of the authority vested in the Philippine Society of Mining Engineers, Inc. (PSEM), and pursuant to the Provisions of the Philippine Mineral Reporting Code (PMRC),  
The PSEM Board of Directors hereby certifies

**ENGR. CONSTANCIO A. PAYE, JR.**

as an

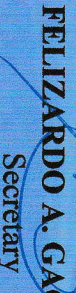
**ACCREDITED COMPETENT PERSON**  
(Mining Engineering)

Accreditation Number **EM-ACP-074-0001292**

by virtue of Board Resolution No. 2024-010 Series of 2024 dated November 10, 2024

Given this 21<sup>st</sup> day of November 2024

  
**FRANCISCO J. ARAÑES, JR.**  
President

  
**FELIZARDO A. GACACAD, JR.**  
Secretary



