

# COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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(Business Address: No. Street City / Town / Province)

|                  |
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| ODETTE A. JAVIER |
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Contact Person

|          |
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| 815-9447 |
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Company Telephone Number

Not later than April 30

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Fiscal Year

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total no. of Stockholders

Total Amount of Borrowings

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Foreign

To be accomplished by SEC Personnel concerned

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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 fiscal year ended: **December 31, 2024**
2. SEC Identification Number: **4429**
3. BIR Tax Identification number: **050-000-164-442V**
4. Exact name of registrant as specified in its charter

**MANILA MINING CORPORATION**

5. Province, country or other jurisdiction of incorporation or organization: **Manila, Philippines**
6. Industry Classification Code:  (SEC Use Only)

**Mining**

7. Address of registrant's principal office:  
**20<sup>th</sup> Floor, Lepanto Building**  
**8747 Paseo de Roxas, Makati City, Philippines**

8. Registrant's telephone number, including area code:  
**(632) – 815-9447**

9. Former name, former address and former fiscal year, if changed since last report: **N/A**
10. Securities registered pursuant to Sections 4 and 12 of the SRC, or Sec. 4 and 8 of the RSA

| Title of each Class | Number of shares of common stock outstanding: |
|---------------------|-----------------------------------------------|
| <b>Class "A"</b>    | <b>186,955,303,646</b>                        |
| <b>Class "B"</b>    | <b>124,548,842,797</b>                        |

11. Are any or all of the securities listed on a Stock Exchange?  
Yes ☒ No ☐

If yes, state the name of such stock exchange and the classes of securities listed therein.

**Philippine Stock Exchange**

**Classes "A" & "B"**

The Company has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months. The Company has not been subject to such filing requirements for the past 90 days.

The aggregate market value of the voting stock held by non-affiliates of the Company as of December 31, 2024 was P933,064,146.43

## **Business and General Information**

### **Business**

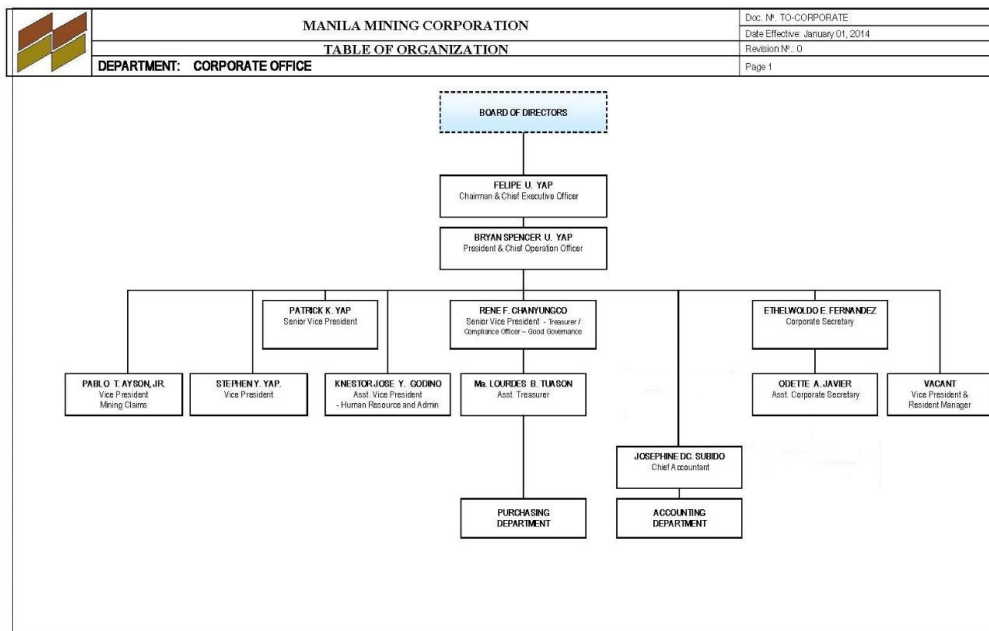
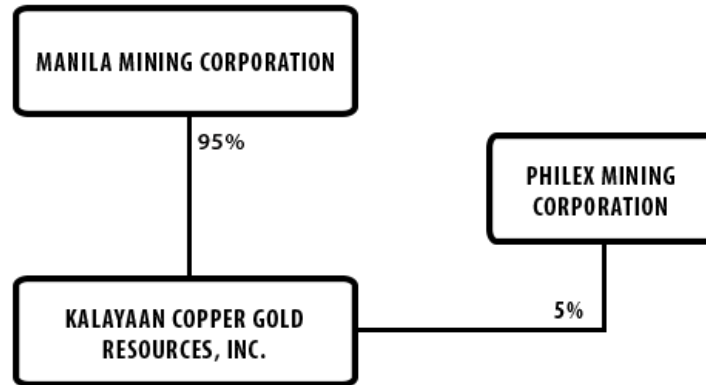
MMC was incorporated on June 3, 1949 to engage in the mining and exploration of metals. It is an affiliate of Lepanto Consolidated Mining Company, which, directly and through its wholly-owned subsidiaries, Lepanto Investment and Development Corporation and Shipside, Incorporated, owns 19.61 % of MMC's outstanding capital.

MMC started mining operations in the Placer Project in the 1970s. The Placer Project is located in the municipality of Placer, Province of Surigao del Norte, and lies at the center of the well-known Surigao Mineral District. From 1982 until 2001 when it suspended mining operations, MMC produced a total of 761,835 ounces gold and 261,720 ounces silver. During its 4 years of copper operations from 1997-2001, MMC produced a total of 19,810,616 lbs. of copper. MMC suspended its mining operations in the Placer Project due to the expiration of the Temporary Authority to construct and operate Tailings Pond No. 7 issued by the EMC-CARAGA.

MMC has no parent company. It has a subsidiary, the Kalayaan Copper-Gold Resources, Inc. ("KCGRI"). Below is the Capital Structure of the Company and its sole Subsidiary:

| Company | Date of Incorporation | Authorized Capital Stock | Subscribed Capital Stock | Ownership of the Company                          |
|---------|-----------------------|--------------------------|--------------------------|---------------------------------------------------|
| MMC     | June 3, 1949          | ₱4.6 Billion             | ₱3.11 Billion            | 4,131 Stockholders                                |
| KSGRI   | May 31, 2007          | ₱100 Million             | P8.125 million           | 95% owned by MMC; 5% by Philex Mining Corporation |

## GROUP CORPORATE STRUCTURE



## Competition, Customers and Suppliers and Marketability of Products

There is virtually no market competition among metals producers. Whatever is produced may be sold or shipped out immediately. There is always a ready market, in fact, an increasing demand, for the Company's historical products, i.e., gold, copper and silver. Until 2001 when mining operations were suspended, MMC sold its gold dore to the Bangko Sentral ng Pilipinas and foreign metals traders, such as Johnson Matthey, without difficulty. The copper concentrate was sold to the Philippine Associated Smelter and Refinery (PASAR) and foreign metals traders without difficulty. Prices of the Company's products are dictated by the world market. The Company is not bound under any contract to sell exclusively to any one party.

## **Government Approvals/Cost and Effects of Compliance with Environmental Laws**

Operations are currently suspended. Nonetheless, the Company, in compliance with Environmental regulations, spent a total of P2,845,041.30 in 2024 (P3,324,209.86 in 2023) for tailings pond maintenance and mine rehabilitation. It maintains a Mine Rehabilitation Fund in compliance with DENR regulations.

The Company obtained from the Mines and Geosciences Bureau the second renewal of Exploration Permit No. XIII-014-A, covering 2,462.9 has. in Surigao del Norte, on April 28, 2010. A third renewal was applied for in 2012 and remains pending. Subsidiary Kalayaan Copper-Gold Resources, Inc. is the holder of Exploration Permit No. EP-XIII014-B covering an area of 286.6342 hectares located in Tubod and Placer, Surigao del Norte. The said permit was renewed for the second time in April 2010. The third renewal was applied for in 2012 and remains pending.

## **Employees**

MMC had a total of 29 employees, 4 in Makati and 25 at Placer, Surigao del Norte as of the end of 2024; 10 of them were managerial, 11 were supervisory, 7 rank-and-file and 1 project employee. The Company not being in operation, none of the employees are subject to a CBA. There are presently no arrangements with the employees for any supplemental benefits or incentives.

## **Mining Tenements**

The MMC Tenements consist of groups of claims totaling 9,844.547 hectares of mineral land located in the Municipalities of Placer, Tagana-an, Sison, Tubod and Claver. These are covered by mining lease contracts that have been converted into an MPSA, and two exploration permits, and three applications for MPSAs or APSAs pursuant to the Philippine Mining Act of 1995 (R.A. No. 7942).

| <b>Permit</b>                                       | <b>Date of Grant /Date Filed</b>                  | <b>Date of Expiry</b> | <b>Status</b>   | <b>Area</b>     | <b>Location</b>           |
|-----------------------------------------------------|---------------------------------------------------|-----------------------|-----------------|-----------------|---------------------------|
| MPSA No. 253-2007- XIII                             | July 28, 2007<br>(renewable for another 25 years) | July 28, 2032         | Exploration     | 211.5000 has.   | Placer, Surigao del Norte |
| EP No. XIII-014A                                    | April 28, 2010                                    | Pending renewal       | Pending renewal | 2,176.2810 has. | Placer, Surigao del Norte |
| EP No. XIII-014B                                    | April 28, 2010                                    | Pending renewal       | Pending renewal | 286.6342 has.   | Placer, Surigao del Norte |
| EP No. 000041-XIII (formerly EXPA No. 000-252-XIII) | November 13, 2024                                 | November 12, 2026     | Exploration     | 507.9139        | Placer, Surigao del Norte |

Mining claims previously covered by Mining Lease Contract No. V-1128, including the Ntina Gold-Copper project, are now covered by MPSA No. 253-2007-XIII covering 211.500 has. and valid for 25 years until 2032 and renewable thereafter under existing law.

As shown above, the Company has an Exploration Permit (EP) covering 2,462.91 hectares in Placer, Surigao del Norte. A portion of the area covered by the said EP, known as Parcel VI, has been assigned to a 95%-owned subsidiary, Kalayaan Copper-Gold Resources, Inc. or KCGRI. Thus, there are now two EPs, EP No. XIII-014A in the name of MMC covering 2,176.28 hectares and EP No. XIII-014B covering 286.63 hectares in the name of KCGRI, both subject of applications for third renewal. The said applications were filed in 2012 and MMC and KCGRI have completed the requirements.

The Company had three (3) MPSA applications, namely, APSA No. 000006-X in Surigao del Norte covering 1,580.0409 has.; APSA No. 000007-XIII covering 4,793.85 has. (which area is presently subject of a survey for possible reduction of hectarage); and APSA 000107-XIII. Data compilation study is on-going in the areas covered by APSA No. 00006-X and APSA 00007-XIII. A portion of the area covered by APSA No. 00006-X, consisting of 2,462.91 has., is now covered by Exploration Permit No. XIII-014A.

Mining Contract Nos. MRD- 322, MRD- 323 and MRD-324 were converted into APSA No. 000107-XIII with a total hectarage of 266.10 has. The lease contracts nos. MRD-480 and MRD-67 were converted into APSA No. 000083-XIII covering 530.1470 has. With the issuance of E.O. No. 130 on April 14, 2021 requiring all pending APSAs to be converted into Exploration Permit applications (EXPAs), the Parent Company filed for the conversion of its pending APSAs into EXPAs.

The APSAs are now denominated as EXPA No. 000249-XIII (formerly APSA No. 000006-X); EXPA No. 000250-XIII (formerly APSA No. 000007(X); and EXPA No. 000269-XIII (formerly APSA No. 000107-XIII).

### **Description of Properties**

The Company is the registered owner of a total of 1,165 has. of land in Surigao del Norte. It also has personal properties (mostly equipment) in the minesite in Surigao del Norte, as follows:

| <u>Property, Plant and Equipment</u> | <u>Location</u>           |
|--------------------------------------|---------------------------|
| Mine and Mining Properties           | Placer, Surigao del Norte |
| Buildings and Improvements           | Placer, Surigao del Norte |
| Leasehold Improvements               | Makati City               |
| Mill Machinery and Equipment         | Placer, Surigao del Norte |
| Powerhouse Equipment                 | Placer, Surigao del Norte |
| Heavy Equipment                      | Placer, Surigao del Norte |
| Transportation Equipment             | Placer, Surigao del Norte |
| Transportation Equipment             | Makati City               |
| Furniture and Office Equipment       | Placer, Surigao del Norte |
| Furniture and Office Equipment       | Makati City               |

The land referred to above houses the offices and living quarters of employees in Surigao del Norte. The rest were acquired by the Company for its tailings pond and for other mining purposes.

Although not in use, the plant and machineries of the Company are continually checked for maintenance purposes.

### **Mortgages, Liens, Encumbrances and Lease**

MMC has no properties that are subject to any mortgage, lien, or encumbrances. The only property it leases is a 38.36 sqm. office space at the 20th Floor of the Lepanto Building, Paseo de Roxas, Makati, where its head office is located. The lease is at P24,260 per month. The current contract will expire on December 31, 2025 but the lease may be renewed upon agreement of the parties.

The Company has no plans of acquiring additional real properties in the next 12 months.

### **Business Risks**

#### **i) Net Losses**

Until the Company is able to restart commercial operations, all expenses related to administrative matters and depreciation/depletion will be booked as losses.

#### **ii) Risks Relating to Mining Tenements and Renewal of Permits**

MMC and KCGRI filed with the MGB in 2012 applications for renewal of Exploration Permits EP No. XIII-014 and XIII-014B, respectively. MMC and KCGRI have complied with all the requirements for such approvals. It should be noted that under Section 18, Book VII, Chapter 11 of the Philippine Administrative Code of 1987: “Where the licensee has made timely and sufficient application for the renewal of a license with reference to any activity of a continuing nature, the existing license shall not expire until the application shall have been finally determined by the agency. The EPs therefore are not deemed expired. However, MMC and KCGRI may resume exploration work in the pertinent areas only after the applications for EP renewal are granted.

MMC has pending EXPAs, as discussed above, the timing of approvals of which is outside of MMC’s control. MMC diligently prosecutes these applications and is compliant with the DENR’s requirements for the approval of the same.

#### **iii) Metal Prices**

The Company has no control over metal prices. They could fall below, or rise higher, than the prices upon which future feasibility studies may be based.

#### **iv) Risk on Environmental Legislation**

Mining activities in the Philippines are monitored and highly regulated by the DENR. New government regulations affecting the Company’s exploration or mining activities will have to be complied with and could entail additional costs.

### **Market for Registrant’s Common Equity and Related Matters**

The Company’s securities are listed on the Philippine Stock Exchange. Hereunder are the quarterly market prices of said securities from 2022-2024:

#### **Manila Mining “A”**

|      | 1Q23   | 2Q23   | 3Q23   | 4Q23   | 1Q24   | 2Q24   | 3Q24   | 4Q24   | April 25, 2025 |
|------|--------|--------|--------|--------|--------|--------|--------|--------|----------------|
| Low  | 0.0089 | 0.0086 | 0.0049 | 0.0043 | 0.0045 | 0.0041 | 0.0034 | 0.0030 | 0.0076         |
| High | 0.0092 | 0.0086 | 0.0050 | 0.0046 | 0.0047 | 0.0042 | 0.0035 | 0.0030 | 0.0083         |

#### **Manila Mining “B”**

|      | 1Q23   | 2Q23   | 3Q23   | 4Q23   | 1Q24   | 2Q24   | 3Q24   | 4Q24   | April 25, 2024 |
|------|--------|--------|--------|--------|--------|--------|--------|--------|----------------|
| Low  | 0.0088 | 0.0088 | 0.0052 | 0.0042 | 0.0043 | 0.0044 | 0.0034 | 0.0030 | 0.0081         |
| High | 0.0089 | 0.0086 | 0.0054 | 0.0044 | 0.0043 | 0.0044 | 0.0035 | 0.0030 | 0.0082         |

### **Securities, Shareholders and Public Ownership**

As of March 31, 2025, the company had 4,120 shareholders. There were approximately 2,937 and 183 holders of common “A” and common “B” shares, respectively. As of the same date, Total Public Ownership constituted 81.3% of the outstanding shares.

#### **Top 20 “A” and “B” Stockholders of the Company (as of March 31, 2025)**

|    | <u>Name</u>                     | <u>“A” Shares</u> | <u>%</u> |
|----|---------------------------------|-------------------|----------|
| 1  | F. Yap Securities, Inc.         | 26,821,335,176    | 14.37    |
| 2  | F. Yap Securities, Inc.         | 2,954,405,991     | 1.58     |
| 3  | Bryan Yap                       | 1,945,977,139     | 1.04     |
| 4  | Christine Yap                   | 1,861,557,111     | 1.00     |
| 5  | Patrick Resources Corporation   | 1,301,152,163     | 0.70     |
| 6  | Christine Karen Yap             | 886,334,939       | 0.47     |
| 7  | Coronet Property Holdings Corp. | 833,093,546       | 0.45     |
| 8  | Ventura Resources Corporation   | 718,565,954       | 0.39     |
| 9  | Zamcore Resources Corporation   | 707,395,421       | 0.38     |
| 10 | Lindsay Resources Corporation   | 651,542,763       | 0.35     |
| 11 | Paul Yap, Jr.                   | 580,769,812       | 0.31     |
| 12 | Paul Yap, Jr.                   | 532,907,891       | 0.29     |
| 13 | A/C B. Y. FYSI                  | 524,193,274       | 0.28     |
| 14 | Arlene K. Yap                   | 457,065,671       | 0.24     |
| 15 | David Go Securities Corp.       | 435,319,534       | 0.23     |



|    |                           |             |      |
|----|---------------------------|-------------|------|
| 16 | A/C-CKY FYSI              | 420,690,037 | 0.23 |
| 17 | Annabelle K. Yap          | 330,939,900 | 0.18 |
| 18 | Lucio W. Yan              | 302,100,000 | 0.16 |
| 19 | Leonard Resources Corp.   | 236,299,716 | 0.13 |
| 20 | William How               | 220,500,000 | 0.12 |
| 19 | Highland Securities, Inc. | 210,023,669 | 0.11 |
| 20 | F Y S I Account No. CKY   | 196,918,381 | 0.11 |

|    | <u>Name</u>                     | <u>“B” Shares</u> | <u>%</u> |
|----|---------------------------------|-------------------|----------|
| 1  | F. Yap Securities, Inc.         | 18,982,809,109    | 15.27    |
| 2  | F. Yap Securities, Inc.         | 12,477,721,842    | 10.04    |
| 3  | F. Yap Securities               | 9,325,685,411     | 7.50     |
| 4  | F. Yap Securities               | 1,665,206,615     | 1.34     |
| 5  | Bryan Yap                       | 1,124,317,007     | 0.90     |
| 6  | Cresencio Yap                   | 1,454,767,065     | 0.76     |
| 7  | Coronet Property Holdings Corp. | 851,662,573       | 0.68     |
| 8  | David Go Securities Corp.       | 586,065,344       | 0.47     |
| 9  | Cresencio Yap                   | 504,155,049       | 0.41     |
| 10 | Christine Karen Yap             | 492,917,544       | 0.40     |
| 11 | Christine Yap                   | 461,919,918       | 0.37     |
| 12 | Paul Yap Jr.                    | 226,723,229       | 0.18     |
| 13 | Paul Yap Jr.                    | 208,038,698       | 0.17     |
| 14 | The First Resources Management  | 150,000,000       | 0.12     |
| 15 | Arlene K. Yap                   | 90,152,434        | 0.07     |
| 16 | Horacio Rodriguez               | 70,455,575        | 0.06     |
| 17 | PL Lim Investments, Inc.        | 57,000,000        | 0.05     |
| 18 | Felipe Yap                      | 56,706,107        | 0.05     |
| 19 | Felipe Yap                      | 49,401,596        | 0.04     |
| 20 | Eduardo Bangayan                | 27,669,589        | 0.02     |

#### **Submission of Matters to a Vote of Security Holders**

No matter was submitted by the Company during the fourth quarter of 2024 to a vote of security holders.

#### **Recent Sales of Unregistered or Exempt Securities**

The Company sold shares pursuant to a 1:5 stock rights offer in May 2022, totaling 31,159,217,274 “A” and 20,758,140,466 “B” common shares at P0.01 per share, valued at P519.17 million.

#### **Dividends Policy**

Dividends may be declared out of the unrestricted retained earnings of the Company, which may be in the form of cash or stock to all stockholders on the basis of outstanding shares

held by them as of the record date fixed by the Company in accordance with existing laws and rules. Any cash dividends due on delinquent stock shall first be applied to the unpaid balance on the subscription plus costs and expenses, while stock dividends shall be withheld from the delinquent stockholder until his unpaid subscription is fully paid: Provided, That no stock dividends shall be issued without the approval of stockholders representing not less than two-thirds (2/3) of the outstanding capital stock at a regular or special meeting duly called for the purpose. (Section 42, Revised Corporation Code).

### **Independent Public Accountant**

Sycip Gorres Velayo & Co. has been MMC's independent public accountant since 2006. There has not been any disagreement between the Company and said accounting firm with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure. Mr. Jaime F. del Rosario became the certifying partner from 2007 to 2011 and from 2014 to 2017. Ms. Eleanore A. Layug, certifying partner from 2012- 2013, is also the certifying partner for 2018 to 2024.

SGV's principal office is at SGV I Building, 6760 Ayala Avenue, Makati City.

The following table indicates the fees billed by SGV for professional services rendered to the Company as external auditors:

| Years Ended December 31      |             |             |             |
|------------------------------|-------------|-------------|-------------|
|                              | 2022        | 2023        | 2024        |
| Audit and Audit Related Fees | P597,520.00 | P600,000.00 | P660,000.00 |

### **Other Fees**

No services other than the audit referred to in the foregoing paragraph were rendered by SGV to the Company in the last three years.

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

Prior to commencement of audit services, the external auditors present their Audit Plan to the Audit Committee, indicating the applicable accounting standards, audit objectives, scope, approvals, methodology, needs and expectations and timetable, among others. All the items in the Plan are considered by the Committee, along with industry standards, in approving the services and fees of the external auditors. The Audit Committee is composed of: Mr. Eduardo A. Bangayan, Committee Chairman and an independent director; Atty. Jose Raulito E. Paras, an independent director; and Mr. Clark Lawton S. Yap.

The Committee revised its charter in 2012 to conform to SEC Memorandum Circular No. 4, Series of 2012, and has conducted a self-assessment pursuant to the same circular.

**Directors and Executive Officers of the Company**

| <u>Directors</u> (each with term of office of 1 year) | <u>Age</u> | <u>Citizenship</u> | <u>Period Served</u> |
|-------------------------------------------------------|------------|--------------------|----------------------|
| FELIPE U. YAP                                         | 87         | Filipino           | Since 1976           |
| EDUARDO A. BANGAYAN(Independent)                      | 73         | -do-               | Since 1989           |
| JOSE RAULITO E. PARAS (Independent)                   | 53         | -do-               | Since 2009           |
| BRYAN U. YAP                                          | 52         | -do-               | Since 1994           |
| RENE F. CHANYUNGCO                                    | 72         | -do-               | Since 2004           |
| DOUGLAS JOHN KIRWIN                                   | 74         | Australian         | Since 2014           |
| PATRICK K. YAP                                        | 46         | -do-               | Since 2005           |
| STEPHEN Y. YAP                                        | 55         | -do-               | Since 2013           |
| CLARK LAWTON S. YAP                                   | 44         | -do-               | Since 2024           |

| <u>Executive Officers:</u> | <u>Citizenship</u> | <u>Position</u>                                      |
|----------------------------|--------------------|------------------------------------------------------|
| FELIPE U. YAP              | Filipino           | Chairman of the Board and<br>Chief Executive Officer |
| BRYAN U. YAP               | -do-               | President and Chief Operating Officer                |
| RENE F. CHANYUNGCO         | -do-               | Senior Vice President and Treasurer                  |
| PATRICK K. YAP             | -do-               | Senior Vice President                                |
| HECTOR M. DE LEON, JR.     | -do-               | Corporate Secretary since June 14, 2024              |
| STEPHEN Y. YAP             | -do-               | Vice President                                       |
| PABLO AYSON, JR.           | -do-               | Vice President                                       |
| KNESTOR JOSE Y. GODINO     | -do-               | Asst. Vice President for Human Resource              |
| MA. LOURDES B. TUASON      | -do-               | Asst. Treasurer                                      |
| ODETTE A. JAVIER           | -do-               | Asst. Corporate Secretary                            |

**Business Experience in the Last Five (5) Years**

Mr. **Felipe U. Yap** became the Chairman of the Company in 1992. He is also the Chairman and Chief Executive Officer of LCMC and of Far Southeast Gold Resources, Inc. (FSGRI). He is the Vice Chairman of the Board of Ayala Land Logistics Holdings Corporation; Chairman of the Board of Zeus Holdings, Inc. and a Director of, among others, Manila Peninsula Hotel, Inc., and Philippine Associated Smelting and Refining Corp. (PASAR). He was the Chairman of the Board of Governors of the Philippine Stock Exchange from March 2000 to March 2002.

Mr. **Bryan U. Yap** has been the President and Chief Operating Officer of LCMC since 2003. He has been a Director of LCMC and of Far Southeast Gold Resources, Inc. (FSGRI) since 1994. In February 2011, he was elected President of Manila Mining Corporation. He is also the President of Kalayaan Copper-Gold Resources, Inc., FSGRI, Lepanto Investment and Development Corporation (LIDC); Shipside, Inc.; Diamond Drilling Corporation of the Philippines and Diamant Manufacturing and Trading Corporation (DMTC).

Mr. **Eduardo A. Bangayan** has been involved in real estate and coconut oil/copra production for the past five (5) years. He is currently the Director of the Davao City Water District; Summit World Group of Companies, First Tagum Rural Bank, Inc. and Fuji Oil

Philippines. He is the Chairman of Summit World Ventures, Inc. He was elected director of Chelsea Logistics Corporation in 2017. He is also a Member of the Board of Governors of the Philippine National Red Cross.

Mr. **Rene F. Chanyungco** joined the Company in 1977 as Executive Assistant to the President. He eventually became Asst. Treasurer, then Vice President-Treasurer, until his promotion in 1997 as Senior Vice President-Treasurer. He is a Vice President of LCMC and Kalayaan Copper-Gold Resources, Inc.

Mr. **Patrick K. Yap** is the President of Yapster e-Conglomerate, Inc. He is the Executive Vice President of Zamcore Realty Corporation and Vice President of Alliance Textile Mills, Inc.

Mr. **Douglas John Kirwin** was the Exploration Manager of Ivanhoe Mines from 1995 (when it was known as Indochina Goldfields Ltd) until 2012. He was the Vice President of the Society of Economic Geology from 2009 to 2011, where he continues to serve as an honorary lecturer. He is now semi-retired with a part time consulting business. He has been a member of the boards of Lepanto Consolidated Mining Company and Zeus Holdings, Inc. since June 2017.

Atty. **Jose Raulito E. Paras** is a Senior Partner of Andres Padernal and Paras Law Offices. He has been a member of the board of Zeus Holdings, Inc. since June 2016 and DigiPlus Interactive Corp. from 2022 to present.

Mr. **Stephen Y. Yap** was vice president for operations of Tutuban Properties, Inc. from 2002-2017. He is currently vice –president of the Felcris Group of Companies.

Mr. **Clark Lawton S. Yap** is currently a Director of Lepanto Consolidated Mining Company, FSGRI, and First Rural Bank of Tagum. He is also the President of Felcris Hotels and Resort Corporation, and the Vice President of Davao Central Warehouse Club, Inc., Davao Central Convenience Stores, Inc., and Felcris Supermarket, Inc.

Atty. **Pablo Ayson, Jr.** was appointed Vice President in November 2006. He is also a Vice President of LCMC. He has been a member of the board of directors of Zeus Holdings, Inc. since June 2016 and Kalayaan Copper-Gold Resources, Inc. from 2017 to present.

Atty. **Hector M. De Leon, Jr.** was appointed Corporate Secretary in June 2024. He is also the Corporate Secretary of LCMC and of FSGRI. He has been the managing partner of Sycip Salazar Hernandez & Gatmaitan law offices since 2016. He specializes in corporate and commercial law, with a particular focus on equity investments, mergers, and acquisitions (M&A), project development and finance, and complex commercial transactions. In 2019, he received a Distinguished Alumnus Award (Legal Services) from the University of the Philippines Alumni Association. He teaches civil law at the Ateneo Law School and the University of the Philippines College of Law. He also served as a bar examiner in civil law during the 2022 Philippine bar examinations.

Ms. **Ma. Lourdes B. Tuason** is the Vice President and Treasurer of LCMC; Asst. Treasurer of FSGRI, Director and Treasurer of SSI, DDCP and LIDC; Director and Vice President of DMTC. She has been the Treasurer of Zeus Holdings, Inc. since November 2015.

Atty. **Odette A. Javier** has been the Company's Assistant Corporate Secretary since 1993. She is the Vice President-Assistant Corporate Secretary of LCMC. She is a Director of Zeus Holdings, Inc., LIDC and DMTC.

Mr. **Knestor Jose Y. Godino** joined the company as Asst. Vice President for Human Resource in January 2013. He has been with LCMC since 2006 where he was promoted to Vice President in 2015.

### **Significant Employees**

There are no employees expected to contribute significantly to the business other than the executive officers.

### **Family Relationships**

Mr. Bryan U. Yap, Director and President, is the son of the Chairman and Chief Executive Officer, Mr. Felipe U. Yap. Messrs. Clark S. Yap, Patrick K. Yap and Stephen U. Yap are nephews of Mr. Felipe U. Yap.

### **Involvement of the Company or its Directors and Officers in Certain Legal Proceedings**

None of the directors and officers were involved during the past five (5) years in any bankruptcy proceeding. Neither have they been convicted by final judgment in any criminal proceeding, or been subject to any order, judgment or decree of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in an action by any court or administrative body to have violated a securities or commodities law.

There is no material pending legal proceeding against the Company.

### **Related Party Disclosures**

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

LCMC holds a 16.4% direct and indirect equity interest in the Group. It provides cash advances and pays expenses on behalf of the Group.

DDCP, a wholly owned subsidiary of LCMC, provides various drilling services to the Group.

Shipside, Inc., a wholly owned subsidiary of LCMC, provides hauling services to the Group.

The Parent Company, in the normal course of business, enters into transactions with related parties. The consolidated statements of financial position include the following assets and liabilities resulting from the above transactions with related parties:

| Related Party                     | Relationship                   | Year         | Amounts/<br>Volume     | Outstanding<br>Balance            | Terms and Conditions                                                                        |
|-----------------------------------|--------------------------------|--------------|------------------------|-----------------------------------|---------------------------------------------------------------------------------------------|
| <i>Contract Deposits (Note 7)</i> |                                |              |                        |                                   |                                                                                             |
| DDCP                              | Affiliate under common control | 2024<br>2023 | <b>P–</b><br><b>P–</b> | <b>P12,649,531</b><br>P12,649,531 | On demand<br>Noninterest-bearing<br>Refundable in cash<br>Unsecured, no impairment          |
| <hr/>                             |                                |              |                        |                                   |                                                                                             |
| Related Party                     | Relationship                   | Year         | Amounts/<br>Volume     | Outstanding<br>Balances           | Terms and Conditions                                                                        |
| <i>Due from Related Party</i>     |                                |              |                        |                                   |                                                                                             |
| LCCM                              | Stockholder                    | 2024<br>2023 | <b>P–</b><br><b>P–</b> | <b>P20,874,865</b><br>P20,905,990 | On demand<br>Noninterest-bearing<br>To be settled in cash<br><u>Unsecured, no guarantee</u> |

Total compensation of the Group's key management personnel in 2024, 2023 and 2022, which pertains to short-term benefits, amounted to P456,950. Key management of the Group are the executive officers and directors. There were no post-employment benefits paid for the Group's key management personnel in 2024, 2023 and 2022.

### Summary Compensation Table

| Board of Directors per diem:                                                                                                                                          | Year<br>2023                     | Year<br>2022        | Year<br>2021              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------|---------------------------|
| Felipe U. Yap                                                                                                                                                         | none                             | none                | none                      |
| Bryan U. Yap                                                                                                                                                          | none                             | none                | none                      |
| Eduardo A. Bangayan                                                                                                                                                   | none                             | none                | none                      |
| Rene F. Chanyungco                                                                                                                                                    | none                             | none                | none                      |
| Ethelwoldo E. Fernandez                                                                                                                                               | none                             | none                | none                      |
| Douglas John Kirwin                                                                                                                                                   | none                             | none                | none                      |
| Jose Raulito E. Paras                                                                                                                                                 | none                             | none                | none                      |
| Patrick K. Yap                                                                                                                                                        | none                             | none                | none                      |
| Stephen Y. Yap                                                                                                                                                        | none                             | none                | none                      |
| <b>Chief Executive and Executive Officers:</b>                                                                                                                        | <b>2023 Total<br/>(All Cash)</b> | <b>Basic Salary</b> | <b>Bonus (13th month)</b> |
| Felipe U. Yap, Chairman<br>Bryan U. Yap, President<br>Rene F. Chanyungco,<br>Sr. Vice Pres./Treasurer<br>Patrick K. Yap, Sr. Vice Pres.<br>Stephen Y. Yap, Vice Pres. | P456,950                         | P70,000             | P20,150                   |
|                                                                                                                                                                       | <b>2024 Total</b>                | <b>Basic Salary</b> | <b>Bonus (13th month)</b> |
| Felipe U. Yap, Chairman<br>Bryan U. Yap, President<br>Rene F. Chanyungco,<br>Sr. Vice Pres./Treasurer<br>Patrick K. Yap, Sr. Vice Pres.                               | P456,950                         | P70,000             | P20,150                   |

|                                                                                                                                                                        |                                  |                     |                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------|---------------------------|
| Stephen Y. Yap , Vice Pres.                                                                                                                                            |                                  |                     |                           |
|                                                                                                                                                                        | <b>2025 Total<br/>(Estimate)</b> | <b>Basic Salary</b> | <b>Bonus (13th month)</b> |
| Felipe U. Yap, Chairman<br>Bryan U. Yap, President<br>Rene F. Chanyungco,<br>Sr. Vice Pres./Treasurer<br>Patrick K. Yap, Sr. Vice Pres.<br>Stephen Y. Yap , Vice Pres. | P456,950                         | P70,000             | P20,150                   |

### **Compensation of Directors/Committee Members**

The members of the Board did not receive any compensation or per diem for the meetings attended in 2022, 2023 and 2024.

There are no arrangements with any officer or director for payment of any amount or bonus other than the regular salary or per diem for attendance of board meetings. There is no existing consultancy or employment contract between the Company and any director or officer. Neither was there any compensatory plan or arrangement concerning or resulting from the termination of employment of any officer.

### **Voting Trusts and Change in Control**

There are no voting trusts involving the Company's shares nor is there any arrangement that could result in any change in the control of the Company.

### **\*Security Ownership**

Following is the holder of more than 5% of the outstanding capital stock as of March 31, 2025:

| Title of Class | Name/Address of Record Owner**                                                   | Relationship to Issuer  | Name of Beneficial Owner | Citizenship | A Shareholdings | %     | B Shareholdings | %     |
|----------------|----------------------------------------------------------------------------------|-------------------------|--------------------------|-------------|-----------------|-------|-----------------|-------|
| A & B          | F. Yap Securities, Inc.<br>17/F Lepanto Building,<br>Paseo de Roxas, Makati City | Substantial Stockholder | same                     | Filipino    | 26,821,335,176  | 14.37 | 18,982,809,109  | 15.27 |

The Board of Directors of Lepanto Consolidated Mining Company (LCMC) has the power to dispose of the corporation's shares. As to F. Yap Securities, Ms. Pacita K. Yap has such power. All two companies have proxies in favor of the Chairman, Mr. Felipe U. Yap.

### **Equity Ownership of Foreigners**

As of March 31, 2025, none of the "A" shares and 1.40% of the "B" shares were held by foreigners.

**\*\*Directors and Executive Officers** (as of March 31, 2025)

| Title of Class | Beneficial Owner            | Position               | Amount and Nature of Beneficial Ownership (Class A / Class B) | Nature of Ownership | Percentage of Shares (Class A/ Class B) |
|----------------|-----------------------------|------------------------|---------------------------------------------------------------|---------------------|-----------------------------------------|
| A & B          | Felipe U. Yap               | Chairman of the Board  | 293,656,371 / 244,399,176                                     | Direct              | 0.189 / 0.236                           |
| A & B          | Bryan U. Yap                | Director/President     | 3,331,995,129 / 1,896,317,059                                 | Direct              | 2.143 / 1.831                           |
| A & B          | Rene F. Chanyungco          | Director/SVP/Treasurer | 39,240,449 / 29,780,888                                       | Direct              | 0.025 / 0.029                           |
| B              | Douglas John Kirwin         | Director               | 1                                                             | Direct              | nil                                     |
| B              | Jose Raulito E. Paras       | Director               | 33,056,179 / 3,202,247                                        | Indirect            | 0.021 / 0.003                           |
| A & B          | Eduardo A. Bangayan***      | Director               | 7,566,975 / 35,441,945                                        | Direct              | 0.005 / 0.034                           |
| A & B          | Patrick K. Yap              | Director/SVP           | 62,114,774 / 32,791,011                                       | Direct              | 0.040 / 0.032                           |
| A & B          | Stephen Y. Yap              | Director               | 1,280,898 / -                                                 | Direct              | nil                                     |
| A & B          | Clark Lawton S. Yap         | Director               | 30,563,446 / 291,199,902                                      | Direct              | nil                                     |
| A & B          | Pablo T. Ayson, Jr.         | Vice President         | 15,848,270 / 14,683,370                                       | Direct              | 0.010 / 0.014                           |
| A              | Hector M. De Leon, Jr.      | Corporate Secretary    | 3,990,000 / -                                                 | Direct              | 0.0021 /                                |
| A & B          | Ma. Lourdes B. Tuason       | Asst. Treasurer        | 42,002,191 / 49,097,121                                       | Indirect            | 0.027 / 0.047                           |
| A & B          | Odette A. Javier            | Asst. Corp. Sec.       | 19,525,000 / 8,452,901                                        | Indirect            | 0.013 / 0.008                           |
|                | <i>Aggregate as a group</i> |                        | <i>3,880,839,682 / 2,605,365,621</i>                          |                     | <i>2.076 / 2.091</i>                    |

\*\* - All of record and directly owned.

\*\*\* - Independent Directors

**Warrants, Options, Compensation Plans, Issuance or Modification of Securities**

The Board of Directors approved the grant of the 9<sup>th</sup> Stock Option Awards (“Grant”) to selected directors, officers and employees of the Company and of its affiliates, covering a total 3.6 billion common shares from unissued capital stock. The option is exercisable within 5 years, to the extent of 20% of the Grant every year. The price of the option is P0.01 per share. The Grant was approved by the SEC on March 20, 2024 but the listing application has yet to be approved by the PSE.

**Plan of Operation for 2025**

In 2024, MMC was issued Exploration Permit No. 00041-XIII (formerly EXPA No. 000252-XIII); and obtained approval of the 4<sup>th</sup> renewal of the Exploration Period of its MPSA No. 253-2007-XIII. Drilling will resume this year in the areas covered by these permits, located at Placer, Surigao del Norte, funded from advances from shareholders or other capital-raising activities.

**Management’s Discussion and Analysis of Financial Condition and Results of Operations for 2024, 2023, and 2022**

**2024**

A modest interest income of P5,535 was realized compared with P16,059 in 2023.



An Interest expense of P235 k was recognized relative to the actuarial valuation of retirement benefit obligations, almost unchanged vs. 2023. Administration and overhead costs increased to P6.98 million from P 6.67 million in 2023 on account of higher depreciation, from P2.12 million to P2.33 million, relating to project completions. Other charges increased to P10.86 million from P44 k due to increased (VAT) impairment provisions.

Current service cost/pension cost in 2024 increased to P250 k from P217 k in 2023 as a result of actuarial valuation. A benefit from deferred income tax of P91k was recognized during the year compared with P121k last year.

Net Loss (after benefit from deferred income tax) for the year amounted to P17.98 million compared with last year's P6.81 million.

Total Comprehensive Loss amounted to P18.72 million compared with P9.15 million in 2023 as a result of changes in fair values of a quoted instrument and a re-measurement gain on retirement benefits obligation.

Total Current Assets decreased by about 4.7% to P72.53 million compared with P P76.13 million in 2023 on account of a 77% decrease in cash and cash equivalents attributable to continuing environmental protection initiatives and improvement of support facilities; in this connection, materials and supplies decreased by 28% amounting to P2.02 million and prepayments increased by 37% amounting to P11.72 million.

Total Non- current Assets increased by 2.1% to P3.63 billion as a result of: increase in deferred mine exploration and evaluation costs amounting to P85.50 million; decrease in Other assets by 19.7% due to impairment provisions; decrease by 12.1% in Available for Sale Investments to P7.33 million due to lower market price of quoted instrument; and Property Plant and equipment decreased by 1.6% to P196.48 million due to depreciation;

Current liabilities increased by 47% to P275.80 million from P187.36 million due to continuing geological activities and environmental protection and facility improvement.

Remeasurement gain on retirement benefits obligation was realized amounting to P118k compared with remeasurement loss in 2023 of P153k, a movement of P271k.

## **2023**

A minimal interest income of P16,059 was realized compared with P124,006 in 2022.

An Interest expense of P235,540 was recognized relative to the actuarial valuation of retirement benefit obligations, compared with P748,526 in 2022. Administration and overhead costs increased to P 6.67 from P6.61 million in 2022 due to higher depreciation. Depreciation increased from P602,622 to P2,118,914 due to project completions. Other charges decreased to P43,520 from P124,372 due to lower impairment provisions.

Current service cost/pension cost in 2023 was P216,777 compared with P581,540 in 2022 due to payment of accrued retirement benefits in 2022.

Benefit from deferred income tax of P121k was recognized compared with last year's provision for deferred income tax of P3.63 million as a result of the reconciliation of income tax applicable to loss before income tax at the statutory rates. Thus, Net Loss (after benefit from deferred income tax) for the year amounted to P6.81 million compared with last year's P10.992 million (after provision for deferred income tax ).

Total Comprehensive Loss amounted to P9.147 million compared with P14.773 million in 2022 as a result of a re-measurement loss on retirement benefits obligation and changes in fair values of a quoted instrument.

Total Current Assets decreased by 27% to P76.13 million compared with P104.34 million in 2022 on account of 72% decrease in cash and cash equivalents attributable to continuing drilling activities and construction of core house and other support facilities; in this connection, materials and supplies increased by 44% amounting to P2.19 million and prepayments by 61% amounting to P11.95 million.

Total non- current assets increased by 116% to P3.56 billion from P3.34 billion as a result of: the decrease in Available for sale investments to P8.346 million due to lower market price of quoted instrument; Increase in Property Plant and equipment by 68% to P199.58 million due to completions of some projects initiated in year 2022; and increase in Other assets by 65% to P40.75 million due to recognition of input VAT on new acquisitions.

Current liabilities increased by 34% to P187.36 million due to deliveries of core house supplies and materials

Retirement benefit obligation increased by 17% to P3.903 million from P3.346 million due to recognition of additional pension liability. Accordingly, Total Non-current liabilities increased by 17% to P52.97 million.

All in connection with the 2022 SRO, the Company's issued and outstanding capital stock increased from P2.960 billion to P3.115 billion; and stockholders' equity, from P3.250 billion to P3.395 billion; Remeasurement loss on retirement benefits obligation increased by 105% to P153k from P74.74k .

## **2022**

A modest interest income of P124,006 was recorded, compared with P5,070 in 2021, on account of the proceeds of the 2022 stock rights offering (SRO). An Interest expense of P748,526 was recognized relative to the actuarial valuation of retirement benefit obligations, compared with P454,758 in 2021. Other charges significantly decreased to P124,372 due to minimal impairment provisions compared with last year's provision of P3,796,172. Administration and overhead costs increased to P6.6 million from P4.2 million due to the SRO expenses and an increase in depreciation from P81,264.65 to P602,622 in connection with the acquisition of various office equipment.

Current service cost/pension cost dropped to P581,540 from P797,897 last year due to payment of accrued retirement benefits.

A provision for deferred income tax of P3.63 million was recognized compared with last year's tax benefit provision of P9.17 million as a result of the reconciliation of income tax applicable to loss before income tax at the statutory rates. Thus, Net Loss (after provision for deferred income tax) for the year amounted to P10.992 Million compared with a net income of P736K in 2021.

Total Comprehensive Loss amounted to P14.77 Million compared with P2.80 Million in 2021 as a result of a re-measurement loss on retirement benefits obligation and changes in fair values of a quoted instrument.

Total Current Assets increased by 92% to P104.34 on account of: increase in Cash and cash equivalents to P58.30 million from P3.02 million due to the SRO proceeds; reclassification of accounts (prepayments) that resulted in an increase in Receivables; decrease in Inventories by 42% to P4.99 million due to ongoing drilling activities.

Total non- current assets increased by 7% to P3.34 billion as a result of: the decrease in Available for sale investments to P10.603 million due to lower market price of a quoted instrument; Increase in Deferred mine exploration and evaluation costs by 6% to P3.18 billion due to ongoing drilling activities; increase in Property Plant and equipment by 17% to P119.05 million due to acquisition of materials and services to support the ongoing drilling activities; and increase in Other assets by 78% to P24.63 due to recognition of input VAT on new acquisitions.

Current liabilities decreased by 34% to P139.37 from P212.37 due to settlement of accounts out of the SRO proceeds.

Deferred income tax liabilities increased by 7% to P49.212 million due to an increase in deferred tax assets. Retirement benefit obligation decreased by 79% to P3.346 from due to payments. Accordingly, Total Non-current liabilities decreased by 15% to P52.56 million.

All in connection with the recent SRO, the Company's authorized capital stock increased from P2.60 billion to P4.60 billion; issued and outstanding capital increased by 14% to P2.96 billion; Subscriptions receivable increased from PP365k to P154.72 million; and stockholders' equity, from P2.909 billion to P3.250 billion.

## **Financial Statements**

Attached as Exhibit “A” hereof, are the Company’s Audited Financial Statements for 2024 covered by the Statement of Management’s Responsibility and the Auditor’s Report signed by Ms. Eleanore A. Layug, with the following exhibits:

|             |   |            |   |                                                                                                    |
|-------------|---|------------|---|----------------------------------------------------------------------------------------------------|
| Exhibit “B” | - | Schedule A | - | Supplementary Schedules Under Annex 68-E Pursuant to SRC Rule 68, as amended                       |
| “C”         | - | Schedule B | - | Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders |
| “D”         | - | Schedule C | - | Amounts Receivable from Related Parties                                                            |
| “E”         | - | Schedule D | - | Intangible Assets – Other Assets                                                                   |
| “F”         | - | Schedule E | - | Long-Term Debt                                                                                     |
| “G”         | - | Schedule F | - | Indebtedness to Related Parties                                                                    |
| “H”         | - | Schedule G | - | Guarantees of Securities of Other Issuers                                                          |
| “I”         | - | Schedule H | - | Capital Stock                                                                                      |

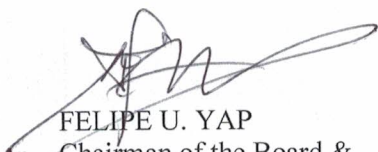
## **Reports on Form 17-C**

| <u>Date of Report</u> | <u>Subject</u>                              |
|-----------------------|---------------------------------------------|
| February 27, 2024     | Postponement of the ASM                     |
| April 24, 2024        | Setting of Annual Stockholders’ Meeting     |
| June 14, 2024         | Results of the Annual Stockholders’ Meeting |
| June 14, 2024         | Results of the Organizational Meeting       |
| November 22, 2024     | Issuance of EP No. 000041-XIII              |

SIGNATURES

Pursuant to the requirements 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 Makati City on April 30, 2025.

**Manila Mining Corporation**  
Issuer

  
FELIPE U. YAP  
Chairman of the Board &  
Chief Executive Officer  
SSS No. 06-0091101-0

  
BRYAN U. YAP  
President and  
Chief Operating Officer  
SSS No. 33-3067339-5

  
RENE F. CHANYUNGCO  
Senior Vice President/Treasurer  
SSS No. 03-4793502-9

  
ODETTE A. JAVIER  
Asst. Corporate Secretary  
SSS No. 03-7641344-4

  
JOSEPHINE DC. SUBIDO  
Chief Accountant  
SSS No. 03-5162765-3

**MAKATI CITY**

SUBSCRIBED AND SWORN TO before me this APR 30 2025 day of April 2025 at Makati City, affiant, who are personally known to me, exhibiting to me their SSS ID nos. indicated above.

Doc. No. 397:  
Page No. 81:  
Book No. XII:  
Series of 2025.

  
**ATTY. GERVACIO B. ORTIZ JR.**  
Notary Public City of Makati  
Until December 31, 2026  
IBP No. 656156 Lifetime Member  
MCLE Compliance No. VII-0022794  
Appointment No. M-007(2025-2026)  
PTR No. 0466005 Jan. 2, 2025  
Makati City Roll No. 40091  
101 Urban Ave. Campos Rueda Bldg  
Brgy Fio Del Pilar, Makati City



## **Manila Mining Corporation**

Minesite: Placer, Surigao del Norte  
Telephone: (086)-626-0999

Head Office: 20<sup>th</sup> Floor, Lepanto Bldg, 8747 Paseo de Roxas  
Makati City, Philippines  
Telephone: (02)-815-9447

### **SUSTAINABILITY REPORT**

**Manila Mining Corporation** (then East Mindanao Mining Corporation) located in Placer, Surigao del Norte, started operation as an underground mine during pre- world War-II period. Post war exploration resumed in the early 1970's (re-named **Lepanto Placer Project**); from 1979 to 1982 underground mining operations were conducted bearing the company's name **Manila Mining Corporation (MMC)**. Mining method switched from underground to open pit by late 1982 until year 2001 with copper-gold flotation plant capacity at 5,000-6,000 metric tons per day.

In 2001, mining operations had to be suspended due to the non-renewal of the permit to further elevate the Company's tailings disposal facility. MMC then concentrated on care-and-maintenance activities. In lieu of the company's **Environmental Compliance Certificate (ECC)** and its **Environmental Protection and Enhancement Program (EPEP)**, the Mines and Geosciences Bureau- Regional Office 13 required MMC to submit the **Annual Environmental Protection and Enhancement Program (AEPEP)** and **Annual Safety and Health Program (ASHP)**. The outlined works of the Programs were successfully implemented by the company during the past years ensuring that all its property and commitments remained intact and protected. The remaining custodial workforce was able to respond and manage works related to maintenance and upkeep of its property, compliance to regulatory requirements, social commitments and mandates, environmental care, and most importantly guaranty safety and stableness of structures within its control, such as tailings pond, waste dumps, dikes and mine pits.

MMC's **Mineral Exploration Program** was revived starting 2007 and had been a continuous activity to-date, targeting copper and gold deposits within MPSA No.253-2007-XIII and other MMC mining claims. The primary purpose is to re-evaluate the area for additional volume of mineable ore deposits using accepted exploration techniques that would justify resumption of mining operations.

Generally, the Company's sustainability efforts were focused on environmental protection and enhancement while Mineral Exploration was on-going, along with maintaining the stability of mine structures, safety of the remaining employees and social development to the extent applicable. While it has good governance policies and codes of conduct in place, the application especially on procurement is on a limited scale, almost immaterial, given its non-operating status. For the same reason, impact on the environment has been practically nil.

| COMPANY DETAILS                                                              |                                                                                                                                                                |
|------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of Organization                                                         | MANILA MINING CORPORATION                                                                                                                                      |
| Location of Headquarters                                                     | 20 <sup>th</sup> Floor, Lepanto Building, 8747 Paseo de Roxas, Makati City                                                                                     |
| Location of Operations                                                       | Magsaysay, Placer, Surigao del Norte / Caraga Region XIII                                                                                                      |
| Report Boundary: Legal entities (e.g. subsidiaries) included in this report* | No subsidiaries included                                                                                                                                       |
| Business Model, including Primary Activities, Brands, Products, and Services | Copper, gold and associated minerals mining and processing plant Operations.<br>(Under temporary shutdown of operations while mineral exploration is on-going) |
| Reporting Period                                                             | Year 2024                                                                                                                                                      |
| Highest Ranking Person responsible for this report                           | Atty. Odette A. Javier, A s s t . Corporate Secretary<br>George P. Moreno – MMC Resident Manager/Exploration Manager                                           |

Economic Performance

Direct Economic Value Generated and Distributed

| Disclosure                                                                 | Amount        | Unit |
|----------------------------------------------------------------------------|---------------|------|
| Direct economic value generated (revenue)                                  | N/A           | PhP  |
| Direct economic value distributed:                                         |               |      |
| a. Operating costs                                                         | N/A           | PhP  |
| b. Employee wages and benefits                                             | 21,969,340.96 | PhP  |
| c. Payments to suppliers, other operating costs                            | 57,966,257.69 | PHP  |
| d. Dividends given to stockholders and interest payments to loan providers | none          | PHP  |
| e. Taxes given to government                                               | 2,147,638.17  | PhP  |
| f. Investments to community                                                | 5,941,876.58  | 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                                                                                                                      |
|---------------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Impact on cash flow, relationship with employees and community.                                   | employees, shareholders, community, government | Focus on exploration project including environmental, safety and social concerns pending mine development & processing plant operations. |
| What are the Risk/s Identified?                                                                   | Which stakeholders are affected?               | Management Approach                                                                                                                      |
| Tight cash flow, pending production from mining operations.                                       | employees, shareholders, community, government | Focus on exploration project including environmental, safety and social concerns.                                                        |
| What are the Opportunity/ies Identified?                                                          | Which stakeholders are affected?               | Management Approach                                                                                                                      |
| Opportunity to rationalize expenses.                                                              | Employees, community and stakeholders          | Monitoring and compliance with regulations.                                                                                              |

## Climate-Related Risks and Opportunities

| Governance                                                                                                                                                                                                                                                  | Strategy                                                                                                                                                                                    | Risk Management                                                                                                                                                                    | Metrics and Targets                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Disclose the organization's governance around climate-related risks and opportunities.                                                                                                                                                                      | Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material. | Disclose how the organization identifies, assesses, and manages climate-related risks.                                                                                             | Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.  |
| <i>There is a unit that oversees a range of environmental, safety, social and compliance obligation matters including extreme weather or other events that could be caused or exacerbated by climate change. It reports directly to top MMC Management.</i> | <i>Penalties will be incurred for non-compliance with government standards, thus regulations were complied.</i>                                                                             | <i>Regular review and assessment of risks and opportunities including evaluation of effectiveness of the implementation of Annual Environmental, Safety &amp; Health Programs.</i> | <i>Ensure full compliance with all applicable laws, industry standards and other legal requirements. Metrics. Compliance Rate (actual/total)</i> |

## ENVIRONMENT

### Resource Management

#### Energy Consumption within the Organization

| Disclosure                                             | Quantity (Ave./mo.) | Units |
|--------------------------------------------------------|---------------------|-------|
| Energy consumption (renewable sources)                 | N/A                 | GJ    |
| Energy consumption (Gasoline)                          | 19.0006             | GJ    |
| Energy consumption (LPG)                               | 0.6723              | GJ    |
| Energy consumption (Diesel)                            | 302.1726            | GJ    |
| Energy consumption (103,059.70 kWh electricity Y 2024) | 8,558.3100          | kWh   |

#### Reduction of Energy Consumption

| Disclosure                                         | Quantity (Ave./mo)     | Units |
|----------------------------------------------------|------------------------|-------|
| Energy reduction (gasoline) – Decreased by 20 %    | Decreased by 4.7502    | GJ    |
| Energy reduction (LPG) – Decreased by 15 %         | Decreased by 0.1186    | GJ    |
| Energy reduction (diesel) – Decreased by 35 %      | Decreased by 162.7083  | GJ    |
| Energy reduction (electricity) – Decreased by 12 % | Decreased by 1,123.673 | kWh   |

**Note:** There was significant decrease in comparison of year 2024 versus year 2023 energy/month and electricity kWh/month, because of no exploration drilling activities during year 2024.



| What is the impact and where does it occur? What is the organization's involvement in the impact?                                                      | Which stakeholders are affected? | Management Approach                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------|
| <i>Negligible impacts to the environment because of no mining and processing plant operations for year 2024.</i>                                       | N/A                              | N/A                                              |
| What are the Risk/s Identified?                                                                                                                        |                                  | Management Approach                              |
| <i>No identified significant risk in Resource Management</i>                                                                                           | N/A                              | N/A                                              |
| What are the Opportunity/ies Identified?                                                                                                               | Which stakeholders are affected? | Management Approach                              |
| <i>MMC under Care and Maintenance Program (no Exploration) thus the consumption of electricity and fuel decreased or very minimal and saved costs.</i> | Company and community.           | <i>Continue to implement Save Energy Policy.</i> |

#### Water Consumption within the Organization

| Disclosure                | Quantity (monthly) | Units        |
|---------------------------|--------------------|--------------|
| Water withdrawal          | 24.92              | Cubic meters |
| Water consumption         | 24.92              | Cubic meters |
| Water recycled and reused | Approx. 15         | 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                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Negligible impact by water consumption because of no mining and processing plant operations. MMC still under Care &amp; maintenance Program while no mineral exploration this year 2024.</i> | N/A                                  | <i>Strict Implementation of policy to save, recycle and re-use water.</i><br><br><i>Implement regular water sampling &amp; laboratory tests.</i> |
| What are the Risk/s Identified?                                                                                                                                                                 | Which stakeholders are affected?     | Management Approach                                                                                                                              |
| <i>Unlikely risk of water bacteriological contamination.</i>                                                                                                                                    | <i>Employees, supplier</i>           | <i>Implement safe/sanitary potable water handling. Regular lab test.</i>                                                                         |
| What are the Opportunity/ies Identified?                                                                                                                                                        | Which stakeholders are affected?     | Management Approach                                                                                                                              |
| <i>Use of collected rainwater &amp; recycled water</i>                                                                                                                                          | <i>Company, employees, community</i> | <i>Strict Implementation of Policy to save, recycle and re-use water.</i>                                                                        |

## Ecosystems and Biodiversity

| Disclosure                                                                                                                                 | Quantity                                                                                                                                                                          | Units                      |
|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. | 3,853.8                                                                                                                                                                           | has.                       |
| Habitats protected or restored                                                                                                             | About 4.0000 has. mangrove restored at Bayatakan Area.<br><br>About 68 has. reforested under NGP & Adopt a Mining Forest Program.<br><br>1.2 kilometer Adopted Mapaso River/Creek | has.<br><br>has.<br><br>km |
| IUCN Red List species and national conservation list species with habitats in areas affected by operations                                 | N/A                                                                                                                                                                               | N/A                        |

## Environmental Impact Management

### Air Emissions

#### GHG

| Disclos                                 | Quantity (Monthly)                                                               | Units                       |
|-----------------------------------------|----------------------------------------------------------------------------------|-----------------------------|
| Direct (Scope 1) GHG Emissions          | 555.576 lit. gasoline = <b>1.2778</b><br>7,951.9115 lit. diesel = <b>21.3111</b> | Tonnes<br>CO <sub>2</sub> e |
| Energy indirect (Scope 2) GHG Emissions | N/A<br>(hydro power electricity by NGCP)                                         | Tonnes<br>CO <sub>2</sub> e |
| Emissions of ozone-depleting substances | N/A                                                                              | Tonnes                      |

| What is the impact and where does it occur? What is the organization's involvement in the impact? | Which stakeholders are affected? | Management Approach                                                           |
|---------------------------------------------------------------------------------------------------|----------------------------------|-------------------------------------------------------------------------------|
| Negligible impacts on GHG because of no mining and processing plant operations.                   | N/A                              | Implement regular preventive maintenance of equipment and Save Energy Policy. |
| What are the Risk/s Identified?                                                                   | Which stakeholders are affected? | Management Approach                                                           |
| No identified significant risk.                                                                   | N/A                              | N/A                                                                           |
| What are the Opportunity/ies Identified?                                                          | Which stakeholders are affected? | Management Approach                                                           |
| Saving on fuel and electricity costs and resulting to negligible emissions of GHG.                | N/A                              | Implement regular preventive maintenance of equipment and Save Energy Policy. |

## Solid and Hazardous Wastes

### Solid Waste

| Disclosure                  | Quantity (Ave./week) | Units |
|-----------------------------|----------------------|-------|
| Total solid waste generated | 151.0                | Kg    |
| Reusable /Recyclable        | 20.0                 | Kg    |
| Biodegradable/Composted     | 100.0                | Kg    |
| Residuals/Landfilled        | 30.0                 | Kg    |
| Special/Hazardous           | 1.0                  | Kg    |

| What is the impact and where does it occur? What is the organization's involvement in the impact?                                | Which stakeholders are affected? | Management Approach                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------------------------------------------------------------------|
| <i>Mine camp and community although very minimal if solid wastes are not properly managed.</i>                                   | <i>Employees and community</i>   | <i>Strict implementation of MMC Environmental Policy and Ecological Solid Wastes Management Program.</i> |
| What are the Risk/s Identified?                                                                                                  | Which stakeholders are affected? | Management Approach                                                                                      |
| N/A                                                                                                                              | N/A                              | N/A                                                                                                      |
| What are the Opportunity/ies Identified                                                                                          | Which stakeholders are affected? | Management Approach                                                                                      |
| <i>Biodegradable wastes were collected and converted to organic fertilizer, while recyclable wastes were reused or sold out.</i> | <i>Employees and community</i>   | <i>Strict implementation of MMC Environmental Policy and Ecological Solid Wastes Management Program.</i> |

### Hazardous Waste

| Disclosure                                  | Quantity (ave. monthly) | Units |
|---------------------------------------------|-------------------------|-------|
| Total weight of hazardous waste generated   | 4.0                     | Kg    |
| Total weight of hazardous waste transported | 4.0                     | Kg    |

| What is the impact and where does it occur? What is the organization's involvement in the impact?                                                        | Which stakeholders are affected?              | Management Approach                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <i>Negligible impact ( busted bulbs, glasses, paints and chemical container are collected and disposed properly at MMC Hazardous Waste Storage Tank.</i> | <i>Employees and community if mismanaged.</i> | <i>Strict implementation of MMC Environmental Policy and Ecological Solid Wastes Management Program.</i> |
| What are the Risk/s Identified?                                                                                                                          | Which stakeholders are affected?              | Management Approach                                                                                      |
| No Risks since Environmental Policy & ESWMP were strictly implemented.                                                                                   | N/A                                           | Continue strict implementation.                                                                          |

| What are the Opportunity/ies Identified?                                          | Which stakeholders are affected?         | Management Approach                                                                                      |
|-----------------------------------------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <i>Stored used-oil can be sold out to accredited buyer for additional income.</i> | <i>The company &amp; used-oil buyer.</i> | <i>Strict implementation of MMC Environmental Policy and Ecological Solid Wastes Management Program.</i> |

## Effluents

| Disclosure                                                               | Quantity (ave. daily)                                   | Units               |
|--------------------------------------------------------------------------|---------------------------------------------------------|---------------------|
| Total volume of water discharges (AMD from discharges of old mine pits.) | <i>Ephemeral (5 – 20 /day during rainy season only)</i> | <i>Cubic meters</i> |
| Percent of wastewater recycled                                           | <i>None</i>                                             | <i>N/A</i>          |

| What is the impact and where does it occur? What is the organization's involvement in the impact? | Which stakeholders are affected?         | Management Approach                                                                                                                                            |
|---------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Treat acidic discharges with lime &amp; discharge effluent within DENR pH standard.</i>        | Minimal effect on community and workers. | <i>Strictly implement MMC Acid-Mine-Drainage Management Program. Neutralized acidic discharge with lime so that final effluent is within DENR pH standard.</i> |
| What are the Risk/s Identified?                                                                   | Which stakeholders are affected?         | Management Approach                                                                                                                                            |
| Minimal negative effect to receiving body.                                                        | Agriculture & Fishery stakeholders       | Strictly manage AMD.                                                                                                                                           |
| What are the Opportunity/ies Identified?                                                          | Which stakeholders are affected?         | Management Approach                                                                                                                                            |
| <i>N/A</i>                                                                                        | <i>N/A</i>                               | <i>N/A</i>                                                                                                                                                     |

## Environmental Compliance

### Non-compliance with Environmental Laws and Regulations

| Disclosure                                                                                   | Quantity    | Units      |
|----------------------------------------------------------------------------------------------|-------------|------------|
| Total amount of monetary fines for non-compliance with environmental laws and/or regulations | <i>None</i> | <i>Php</i> |
| No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations  | <i>None</i> | <i>Php</i> |
| No. of cases resolved through dispute resolution mechanism                                   | <i>None</i> | <i>Php</i> |

## SOCIAL

### Employee Management

#### Employee Hiring and Benefits

##### Employee Data (Excluding Contractors and Consultants)

| Disclosure                                         | Quantity       | Units          |
|----------------------------------------------------|----------------|----------------|
| Total number of employees                          | 25             | #              |
| a. Number of female employees                      | 12             | #              |
| b. Number of male employees                        | 13             | #              |
| Attrition rate                                     | 0              | %              |
| Ratio of lowest paid employee against minimum wage | Not applicable | Not applicable |

#### 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   | 12                                             | 13                                           |
| PhilHealth                               | N   | 0                                              | 0                                            |
| Pag-ibig                                 | N   | 0                                              | 0                                            |
| Parental leaves                          | N   | 0                                              | 0                                            |
| Vacation leaves                          | Y   | 100                                            | 100                                          |
| Sick leaves                              | Y   | 100                                            | 100                                          |
| Medical benefits (aside from PhilHealth) | N   | 0                                              | 0                                            |
| Housing assistance (aside from Pag-ibig) | N   | 0                                              | 0                                            |
| Retirement fund (aside from SSS)         | N   | -                                              | -                                            |
| Further education support                | N   | 0                                              | 0                                            |
| Company stock options-                   |     | Not applicable                                 |                                              |
| Telecommuting                            | N   | 0                                              | 0                                            |
| Flexible-working Hours                   | N   | 0                                              | 0                                            |
| (Others)                                 |     |                                                |                                              |

| What is the impact and where does it occur? What is the organization's involvement in the impact? | Management Approach                                                |
|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <i>Motivation, performance and well-being of employees</i>                                        | <i>Trainings and orientations</i>                                  |
| What are the Risk/s Identified?                                                                   | Management Approach                                                |
| <i>Absenteeism and retention</i>                                                                  | <i>Compliance with labor standards<br/>Dialogue with employees</i> |
| What are the Opportunity/ies Identified?                                                          | Management Approach                                                |
| <i>Employment for community members</i>                                                           | <i>Compliance with labor standards</i>                             |

## Employees Training and Development

| Disclosure                                                                                  | Quantity | Units          |
|---------------------------------------------------------------------------------------------|----------|----------------|
| Total training hours provided to employees (Safety/Health & Capacity Building on their job) |          |                |
| a. Female employees                                                                         | 576      | hours          |
| b. Male employees                                                                           | 624      | hours          |
| Average training hours provided to employees                                                |          |                |
| a. Female employees                                                                         | 48       | hours/employee |
| b. Male employees                                                                           | 48       | 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>                             |
| <i>Employees productivity and performance</i>                                                            | <i>Send employees to trainings/Tutorials as needed</i> |
| <b>What are the Risk/s Identified?</b>                                                                   | <b>Management Approach</b>                             |
| <i>Trained employees left for better opportunities</i>                                                   | <i>Training Agreement</i>                              |
| <b>What are the Opportunity/ies Identified?</b>                                                          | <b>Management Approach</b>                             |
| <i>Additional skills &amp; salary increase</i>                                                           | <i>Continue training/tutorial</i>                      |

## Labor-Management Relations

| Disclosure                                                                            | Quantity | Units |
|---------------------------------------------------------------------------------------|----------|-------|
| % of employees covered with Collective Bargaining Agreements                          | None     | %     |
| Number of consultations conducted with employees concerning employee-related policies | None     | #     |

|                                                                                                          |                                        |
|----------------------------------------------------------------------------------------------------------|----------------------------------------|
| <b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b> | <b>Management Approach</b>             |
| Retention of Employees                                                                                   | <i>Transparency</i>                    |
| <b>What are the Risk/s Identified?</b>                                                                   | <b>Management Approach</b>             |
| Loss of employees due to non-operation                                                                   | <i>Compliance with labor standards</i> |
| <b>What are the Opportunity/ies Identified?</b>                                                          | <b>Management Approach</b>             |
| None                                                                                                     | <i>Compliance with labor standards</i> |

## Diversity and Equal Opportunity

| Disclosure                                                                | Quantity | Units |
|---------------------------------------------------------------------------|----------|-------|
| % of female workers in the workforce (Regular)                            | 12       | 0.48% |
| % of male workers in the workforce (Regular)                              | 13       | 0.52% |
| Number of employees from indigenous communities and/or vulnerable sector* | 0        | #     |

## Workplace Conditions, Labor Standards, and Human Rights

### Occupational Health and Safety

| Disclosure                     | Quantity    | Units |
|--------------------------------|-------------|-------|
| No. of work-related injuries   | <i>None</i> | #     |
| No. of work-related fatalities | <i>None</i> | #     |
| No. of work related ill-health | <i>None</i> | #     |
| No. of safety drills           | 8           | #     |

|                                                                                                                    |                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| <b>What is the impact and where does it occur?</b><br><b>What is the organization's involvement in the impact?</b> | <b>Management Approach</b>                                                                        |
| <i>Employees' well-being</i>                                                                                       | <i>Implementation of Annual Safety &amp; Health Program and Company Safety and Health Policy.</i> |
| <b>What are the Risk/s Identified?</b>                                                                             | <b>Management Approach</b>                                                                        |
| <i>Accidents and lost-time accidents</i>                                                                           | <i>Safety inspection &amp; Safety Policy implementation.</i>                                      |
| <b>What are the Opportunity/ies Identified?</b>                                                                    | <b>Management Approach</b>                                                                        |
| <i>Preparedness trainings</i>                                                                                      | <i>Strict implementation of safety &amp; health policies.</i>                                     |

### Labor Laws and Human Rights

| Disclosure                                                                         | Quantity    | Units |
|------------------------------------------------------------------------------------|-------------|-------|
| <i>No. of legal actions or employee grievances involving forced or child labor</i> | <i>none</i> | #     |

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

| Topic        | Y/N | If Yes, cite reference in the Company Policy |
|--------------|-----|----------------------------------------------|
| Forced labor | Y   | <i>Recruitment Policy</i>                    |
| Child labor  | Y   | <i>Recruitment Policy</i>                    |
| Human Rights | Y   | <i>Code of Conduct</i>                       |

### Relationship with Community

#### Significant Impacts on Local Communities

| Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations) | Location | Vulnerable groups (if applicable)* | Does the particular operation have impacts on indigenous people (Y/N)? | Collective or individual rights that have been identified that or particular concern for the community | Mitigating measures (if negative) or enhancement measures (if positive) |
|--------------------------------------------------------------------------------------------------------------------------------------------|----------|------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
|                                                                                                                                            |          |                                    |                                                                        |                                                                                                        |                                                                         |

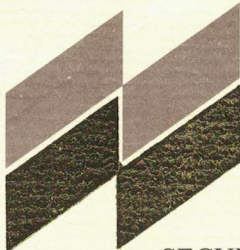
|                                                                    |                                            |                 |                             |                                                                 |                                                                |
|--------------------------------------------------------------------|--------------------------------------------|-----------------|-----------------------------|-----------------------------------------------------------------|----------------------------------------------------------------|
| <i>Implementation of MMC Community Development Program (CDP)</i>   | <i>Community and neighboring community</i> | <i>N/A</i>      | <i>No indigenous people</i> | <i>Employment opportunity &amp; Community Dev't. assistance</i> | <i>Monitor CDP projects &amp; priority assistance.</i>         |
| <i>Giving of reliefs and assistance to Typhoon Odette victims.</i> | <i>Employees and host community.</i>       | <i>N/A</i>      | <i>N/A</i>                  | <i>N/A</i>                                                      | <i>N/A</i>                                                     |
| <i>School building repair damaged by Typhoon Odette.</i>           | <i>Host community</i>                      | <i>Children</i> | <i>N/A</i>                  | <i>Safety of children</i>                                       | <i>Prioritize repair projects &amp; monitor implementation</i> |

### Data Security

| <b>Disclosure</b>                                                | <b>Quantity</b> | <b>Units</b> |
|------------------------------------------------------------------|-----------------|--------------|
| No. of data breaches, including leaks, thefts and losses of data | <i>none</i>     | <b>#</b>     |

| <b>What is the impact and where does it occur?<br/>What is the organization's involvement in the impact?</b>                                                                                                                 | <b>Management Approach</b>                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Impact is on the company's image. It occurs in transactions with service providers, stockholders, and employees.</i><br><br><i>We process information relating to prospective and current employees and shareholders.</i> | <i>Data Privacy manual /guidelines;<br/>Appropriate orientation at head office, mine site and other units;<br/>Incorporation of Data Privacy notices in contracts and forms</i> |
| <b>What are the Risk/s Identified?</b>                                                                                                                                                                                       | <b>Management Approach</b>                                                                                                                                                      |
| <i>Data Breach</i>                                                                                                                                                                                                           | <i>Privacy Risk Assessment<br/>Compliance Monitoring<br/>Physical and Technical security Measures<br/>Recovery and Restoration Measures</i>                                     |
| <b>What are the Opportunity/ies Identified?</b>                                                                                                                                                                              | <b>Management Approach</b>                                                                                                                                                      |
| <i>Enhancement of data protection measures<br/>Instill discipline and responsible use of information among employees.</i>                                                                                                    | <i>Follow-up and continuous improvement.</i>                                                                                                                                    |





# Manila Mining Corporation

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Fax: +63(2) 894-6265

SECURITIES AND EXCHANGE COMMISSION  
Secretariat Building, PICC Complex  
Roxas Boulevard, Metro Manila

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Manila Mining Corporation** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended **December 31, 2024 and 2023**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

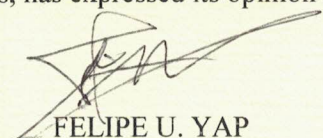
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidated the Company or to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

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

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

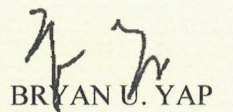
SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such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

Signature:



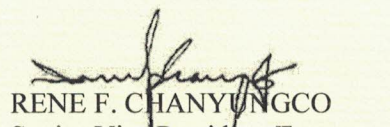
FELIPE U. YAP  
Chairman of the Board  
SSS#06-0091101-0

Signature:



BRYAN U. YAP  
President  
SSS#33-3067339-5

Signature:



RENE F. CHANYUNGCO  
Senior Vice President-Treasurer  
SSS#03-4793502-9

Signed this April 29, 2025.

**MAKATI CITY**

SUBSCRIBED AND SWORN TO before me this **APR 30 2025** day of April 2025 at Makati City, affiant exhibiting to me their SSS ID nos.

|                   |   |              |
|-------------------|---|--------------|
| FELIPE U. YAP     | - | 06-0091101-0 |
| BRYAN U. YAP      | - | 33-3067339-5 |
| RENE F. CHANYUNGO | - | 03-4793502-9 |

Doc. No. 385  
Page No. 81  
Book No. 1211  
Series of 2025.

**ATTY. GERVASIO B. ORTIZ JR.**  
Notary Public, City of Makati  
Until December 31, 2026  
IBP No. 656155 Lifetime Member  
MCLE Compliance No. VII-0022734  
Appointment No. M-007(2025-2026)  
PTR No. 0466005 Jan. 2, 2025  
Makati City Roll No. 40091  
101 Urban Ave. Campos Rueda Bldg  
Brgy Pio Del Pilar, Makati City

# COVER SHEET

for

## AUDITED FINANCIAL STATEMENTS

SEC Registration Number

|   |   |   |   |  |  |  |  |  |  |
|---|---|---|---|--|--|--|--|--|--|
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### COMPANY NAME

|   |   |   |   |   |   |   |   |   |   |   |   |   |  |   |   |   |   |   |   |   |   |   |   |   |  |   |   |   |  |
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| S | U | B | S | I | D | I | A | R | Y |   |   |   |  |   |   |   |   |   |   |   |   |   |   |   |  |   |   |   |  |
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### PRINCIPAL OFFICE ( No. / Street / Barangay / City / Town / Province )

|   |   |   |   |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
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Secondary License Type, If Applicable

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

### COMPANY INFORMATION

Company's Email Address

|                          |
|--------------------------|
| inquiry@manilamining.com |
|--------------------------|

Company's Telephone Number

|                 |
|-----------------|
| (632) 8815-9447 |
|-----------------|

Mobile Number

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

No. of Stockholders

|       |
|-------|
| 4,127 |
|-------|

Annual Meeting (Month / Day)

|       |
|-------|
| 12/20 |
|-------|

Fiscal Year (Month / Day)

|       |
|-------|
| 12/31 |
|-------|

### CONTACT PERSON INFORMATION

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

Name of Contact Person

|                    |
|--------------------|
| Rene F. Chanyungco |
|--------------------|

Email Address

|                       |
|-----------------------|
| rfc@lepantomining.com |
|-----------------------|

Telephone Number/s

|                 |
|-----------------|
| (632) 8815-9447 |
|-----------------|

Mobile Number

|              |
|--------------|
| 0917-5775374 |
|--------------|

### CONTACT PERSON's ADDRESS

20th Floor, Lepanto Building, Paseo de Roxas, Makati 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 Stockholders  
Manila Mining Corporation  
20th Floor, Lepanto Building  
8747 Paseo de Roxas, Makati City

### Opinion

We have audited the consolidated financial statements of Manila Mining Corporation and Subsidiary (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the 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 period. 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 the 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 matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

#### *Recoverability of Deferred Mine Exploration and Evaluation Costs*

The carrying value of the Group's deferred mine exploration and evaluation costs as at December 31, 2024 amounted to ₦3,396 million, which is 93% of the Group's consolidated total assets. Under PFRS 6, *Exploration for and Evaluation of Mineral Resources*, these mine exploration costs shall be assessed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The ability of the Group to recover its deferred mine exploration and evaluation costs depends on the discovery of commercially viable quantities of mineral resources and the successful development and extraction of resulting ore reserves. We considered this as a key audit matter because of the materiality of the amount involved, and the impairment assessment requires significant judgment and involves estimation and assumptions about future production levels and costs, as well as external inputs such as commodity prices, discount rate, and foreign currency exchange rate.

The Group's related disclosures are presented in Notes 1 and 10 to the consolidated financial statements.

#### *Audit Response*

We obtained management's assessment on whether there are impairment indicators affecting the recoverability of the deferred mine exploration and evaluation costs. We reviewed the summary of the status of each exploration project as of December 31, 2024, as certified by the Group's technical group head, and compared it with the disclosures submitted to regulatory agencies. We reviewed contracts and agreements, and budget for exploration and development costs. We inspected the licenses, permits and correspondences with regulatory agencies of each exploration project to determine that the period, for which the Group has the right to explore in the specific area, has not expired, will not expire in the near future and have been renewed accordingly. We also inquired about the existing mining areas that are expected to be abandoned or any exploration activities that are planned to be discontinued in those areas.

We involved our internal specialists in evaluating the methodology and the assumptions used in determining the value-in-use. These assumptions include future production levels and costs, as well as external inputs such as commodity prices, discount rate and foreign currency exchange rate. We compared the key assumptions used against external data such as analysts' reports and industry benchmarks. We tested the parameters used in the determination of the discount rate against market data and forecasted foreign currency exchange rates of various financial institutions. We have also reviewed the Group's disclosures, including those that have the most significant effect on the determination of the recoverable amount of mine exploration costs.



### *Going Concern Assessment*

As discussed in Note 1, the Group is currently under exploration stage and is highly dependent on the result of continuous exploration drilling in assessing whether to ultimately develop the mine and start mining operations. Given the status of its current operations, the Group has incurred net loss of ₱18.0 million, ₱6.8 million, ₱11.0 million in 2024, 2023, and 2022 respectively, resulting in deficit of ₱1,238.7 million and ₱1,220.7 million as of December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, the Group's current liabilities exceeded its current assets by ₱203.3 million and ₱111.2 million, respectively.

The consolidated financial statements have been prepared on a going concern basis. The availability of sufficient funding and management's assessment of whether the Group will be able to continue meeting its currently maturing obligations are largely based on the expectations of, and the estimates made by management. The expectations and estimates can be influenced by subjective elements such as estimated future cash flows that are subject to higher level of estimation, and the feasibility of the Group's financing activities. As the going concern assessment is a significant aspect of our audit, we have identified this as a key audit matter.

The Group's disclosures on the going concern assessment are included in Notes 1 and 3 to the consolidated financial statements.

### *Audit Response*

We obtained an understanding of management's going concern assessment, taking into consideration the Group's current business plans on its mining project, its forecasted operating costs and planned financing activities. We inquired the status of the exploration of the mine project with the internal geologist and mining engineer, and inspected and traced the projected exploration and development costs to the submitted planned exploration program of the Group. We traced the projected operating costs to historical data. For its planned financing activities, we obtained the signed letter of continued financial support from its stockholder. We reviewed events that transpired up to date of our report which may have an impact on the Group's financing and exploration activities. We also assessed the adequacy of the related disclosures in the notes to the consolidated financial statements.

### **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 auditor's 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 Audit 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 are responsible for the direction, supervision and performance of the 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 Eleanore A. Layug.

SYCIP GORRES VELAYO & CO.

*Eleanore A. Layug*  
Eleanore A. Layug

Partner

CPA Certificate No. 0100794

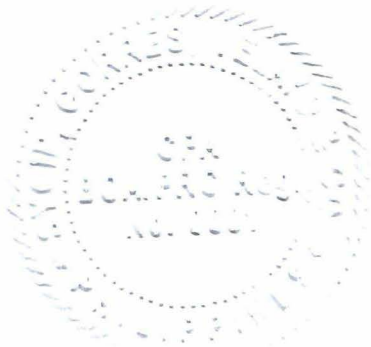
Tax Identification No. 163-069-453

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

BIR Accreditation No. 08-001998-097-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10465317, January 2, 2025, Makati City

April 29, 2025



**MANILA MINING CORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

|                                                                                              | <b>December 31</b>     |                 |
|----------------------------------------------------------------------------------------------|------------------------|-----------------|
|                                                                                              | <b>2024</b>            | <b>2023</b>     |
| <b>ASSETS</b>                                                                                |                        |                 |
| <b>Current Assets</b>                                                                        |                        |                 |
| Cash (Note 4)                                                                                | <b>₱3,738,671</b>      | ₱16,537,336     |
| Receivables - net (Note 5)                                                                   | <b>20,488,820</b>      | 20,985,879      |
| Inventories (Note 6)                                                                         | <b>5,148,614</b>       | 7,171,509       |
| Prepayments and other current assets (Note 7)                                                | <b>43,151,958</b>      | 31,434,601      |
| <b>Total Current Assets</b>                                                                  | <b>72,528,063</b>      | 76,129,325      |
| <b>Noncurrent Assets</b>                                                                     |                        |                 |
| Financial assets designated at fair value through other comprehensive income (FVOCI; Note 8) | <b>7,333,851</b>       | 8,345,854       |
| Property and equipment - net (Note 9)                                                        | <b>196,482,913</b>     | 199,578,410     |
| Deferred mine exploration and evaluation costs (Note 10)                                     | <b>3,396,261,275</b>   | 3,310,769,548   |
| Other noncurrent assets (Note 11)                                                            | <b>32,710,540</b>      | 40,746,525      |
| <b>Total Noncurrent Assets</b>                                                               | <b>3,632,788,579</b>   | 3,559,440,337   |
| <b>TOTAL ASSETS</b>                                                                          | <b>₱3,705,316,642</b>  | ₱3,635,569,662  |
| <b>LIABILITIES AND EQUITY</b>                                                                |                        |                 |
| <b>Current Liability</b>                                                                     |                        |                 |
| Accounts payable and accrued expenses (Note 12)                                              | <b>₱275,799,527</b>    | ₱187,359,374    |
| <b>Noncurrent Liabilities</b>                                                                |                        |                 |
| Retirement benefits obligation (Note 16)                                                     | <b>3,926,030</b>       | 3,902,814       |
| Deferred tax liability - net (Note 17)                                                       | <b>49,064,692</b>      | 49,065,115      |
| <b>Total Noncurrent Liabilities</b>                                                          | <b>52,990,722</b>      | 52,967,929      |
| <b>Total Liabilities</b>                                                                     | <b>328,790,249</b>     | 240,327,303     |
| <b>Equity Attributable to Equity Holders of the Parent Company</b>                           |                        |                 |
| Capital stock (Note 18)                                                                      | <b>3,114,675,832</b>   | 3,114,675,832   |
| Equity reserve (Note 18)                                                                     | <b>954,621,275</b>     | 954,621,275     |
| Additional paid-in capital                                                                   | <b>608,234,879</b>     | 608,234,879     |
| Re-measurement loss on retirement benefits obligation (Note 16)                              | <b>117,953</b>         | (153,308)       |
| Fair value reserve of financial assets designated at FVOCI (Note 8)                          | <b>(62,603,413)</b>    | (61,591,410)    |
| Deficit                                                                                      | <b>(1,238,674,120)</b> | (1,220,703,149) |
|                                                                                              | <b>3,376,372,406</b>   | 3,395,084,119   |
| <b>Non-controlling interest (Note 18)</b>                                                    | <b>153,987</b>         | 158,240         |
| <b>Total Equity</b>                                                                          | <b>3,376,526,393</b>   | 3,395,242,359   |
| <b>TOTAL LIABILITIES AND EQUITY</b>                                                          | <b>₱3,705,316,642</b>  | ₱3,635,569,662  |

*See accompanying Notes to Consolidated Financial Statements.*



**MANILA MINING CORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

|                                                                         | Years Ended December 31 |                     |                      |
|-------------------------------------------------------------------------|-------------------------|---------------------|----------------------|
|                                                                         | 2024                    | 2023                | 2022                 |
| <b>ADMINISTRATION AND OVERHEAD COSTS</b> (Note 14)                      | <b>(P6,981,241)</b>     | <b>(P6,668,540)</b> | <b>(P6,614,466)</b>  |
| <b>OTHER INCOME (CHARGES) - net</b>                                     |                         |                     |                      |
| Interest expense (Note 16)                                              | (235,340)               | (235,540)           | (748,526)            |
| Interest income (Notes 4 and 11)                                        | 5,535                   | 16,059              | 124,006              |
| Other charges - net (Note 15)                                           | (10,855,022)            | (43,520)            | (124,372)            |
|                                                                         | <b>(11,084,827)</b>     | <b>(263,001)</b>    | <b>(748,892)</b>     |
| <b>LOSS BEFORE INCOME TAX</b>                                           | <b>(18,066,068)</b>     | <b>(6,931,541)</b>  | <b>(7,363,358)</b>   |
| <b>BENEFIT FROM (PROVISION FOR) DEFERRED INCOME TAX</b> (Note 17)       | <b>90,844</b>           | <b>120,991</b>      | <b>(3,628,310)</b>   |
| <b>NET LOSS</b>                                                         | <b>(17,975,224)</b>     | <b>(6,810,550)</b>  | <b>(10,991,668)</b>  |
| <b>OTHER COMPREHENSIVE INCOME (LOSS)</b>                                |                         |                     |                      |
| <i>Items that will not be reclassified to OCI:</i>                      |                         |                     |                      |
| Changes in fair values of financial assets designated at FVOCI (Note 8) | (1,012,003)             | (2,257,545)         | (2,413,237)          |
| Re-measurement gain (loss) on retirement benefits obligation (Note 16)  | 361,682                 | (104,756)           | (1,825,087)          |
| Income tax effect                                                       | (90,421)                | 26,189              | 456,272              |
|                                                                         | <b>(740,742)</b>        | <b>(2,336,112)</b>  | <b>(3,782,052)</b>   |
| <b>TOTAL COMPREHENSIVE LOSS</b>                                         | <b>(P18,715,966)</b>    | <b>(P9,146,662)</b> | <b>(P14,773,720)</b> |
| <b>Net loss attributable to:</b>                                        |                         |                     |                      |
| Equity holders of the Parent Company                                    | (P17,970,971)           | (P6,806,816)        | (P10,982,857)        |
| Non-controlling interest (Note 18)                                      | (4,253)                 | (3,734)             | (8,811)              |
|                                                                         | <b>(P17,975,224)</b>    | <b>(P6,810,550)</b> | <b>(P10,991,668)</b> |
| <b>Total comprehensive loss attributable to:</b>                        |                         |                     |                      |
| Equity holders of the Parent Company                                    | (P18,711,713)           | (P9,142,928)        | (P14,764,909)        |
| Non-controlling interest (Note 18)                                      | (4,253)                 | (3,734)             | (8,811)              |
|                                                                         | <b>(P18,715,966)</b>    | <b>(P9,146,662)</b> | <b>(P14,773,720)</b> |
| <b>LOSS PER SHARE</b> (Note 19)                                         |                         |                     |                      |
| Basic/Diluted loss per share                                            | <b>(P0.00006)</b>       | <b>(P0.00002)</b>   | <b>(P0.00004)</b>    |

See accompanying Notes to Consolidated Financial Statements.



**MANILA MINING CORPORATION AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**

|                                               | Attributable to Equity Holders of the Parent Company |               |                         |                |                             |                            |                                                                  |                                                                        |                  |                | Non-controlling Interest<br>(Note 18) | Total          |
|-----------------------------------------------|------------------------------------------------------|---------------|-------------------------|----------------|-----------------------------|----------------------------|------------------------------------------------------------------|------------------------------------------------------------------------|------------------|----------------|---------------------------------------|----------------|
|                                               | Capital stock (Note 18)                              |               |                         |                | Equity reserve<br>(Note 18) | Additional paid-in capital | Re-measurement gain (loss) on retirement obligation<br>(Note 16) | Fair value reserve of financial assets designated at FVOCI<br>(Note 8) | Deficit          | Sub-total      |                                       |                |
|                                               | Issued                                               | Subscribed    | Subscription receivable | Total          |                             |                            |                                                                  |                                                                        |                  |                |                                       |                |
| Balances at January 1, 2022                   | P2,590,560,436                                       | P5,307,451    | (P365,632)              | P2,595,502,255 | P954,621,275                | P617,625,955               | P1,294,074                                                       | (P56,920,628)                                                          | (P1,202,913,476) | P2,909,209,455 | P170,785                              | P2,909,380,240 |
| Net loss                                      | —                                                    | —             | —                       | —              | —                           | —                          | —                                                                | —                                                                      | (10,982,857)     | (10,982,857)   | (8,811)                               | (10,991,668)   |
| Other comprehensive loss, net of tax          | —                                                    | —             | —                       | —              | —                           | —                          | (1,368,815)                                                      | (2,413,237)                                                            | —                | (3,782,052)    | —                                     | (3,782,052)    |
| Total comprehensive loss                      | —                                                    | —             | —                       | —              | —                           | —                          | (1,368,815)                                                      | (2,413,237)                                                            | (10,982,857)     | (14,764,909)   | (8,811)                               | (14,773,720)   |
| Issuance and subscription of shares           | 86,284,487                                           | 432,889,091   | (154,355,954)           | 364,817,624    | —                           | (9,191,736)                | —                                                                | —                                                                      | —                | 355,625,888    | —                                     | 355,625,888    |
| Balances at December 31, 2022                 | P2,676,844,923                                       | P438,196,542  | (P154,721,586)          | P2,960,319,879 | P954,621,275                | P608,434,219               | (P74,741)                                                        | (P59,333,865)                                                          | (P1,213,896,333) | P3,250,070,434 | P161,974                              | P3,250,232,408 |
| Net loss                                      | P—                                                   | P—            | P—                      | P—             | P—                          | P—                         | P—                                                               | P—                                                                     | (6,806,816)      | (6,806,816)    | (3,734)                               | (6,810,550)    |
| Other comprehensive loss, net of tax          | —                                                    | —             | —                       | —              | —                           | —                          | (78,567)                                                         | (2,257,545)                                                            | —                | (2,336,112)    | —                                     | (2,336,112)    |
| Total comprehensive loss                      | —                                                    | —             | —                       | —              | —                           | —                          | (78,567)                                                         | (2,257,545)                                                            | (6,806,816)      | (9,142,928)    | (3,734)                               | (9,146,662)    |
| Issuance and subscription of shares           | 432,889,090                                          | (432,889,091) | 154,355,954             | 154,355,953    | —                           | (199,340)                  | —                                                                | —                                                                      | —                | 154,156,613    | —                                     | 154,156,613    |
| Balances at December 31, 2023                 | P3,109,734,013                                       | P5,307,451    | (P365,632)              | P3,114,675,832 | P954,621,275                | P608,234,879               | (P153,308)                                                       | (P61,591,410)                                                          | (P1,220,703,149) | P3,395,084,119 | P158,240                              | P3,395,242,359 |
| Net loss                                      | P—                                                   | P—            | P—                      | P—             | P—                          | P—                         | P—                                                               | P—                                                                     | (P17,970,971)    | (P17,970,971)  | (P4,253)                              | (P17,975,224)  |
| Other comprehensive income (loss), net of tax | —                                                    | —             | —                       | —              | —                           | —                          | 271,261                                                          | (1,012,003)                                                            | —                | (740,742)      | —                                     | (740,742)      |
| Total comprehensive income (loss)             | —                                                    | —             | —                       | —              | —                           | —                          | 271,261                                                          | (1,012,003)                                                            | (17,970,971)     | (18,711,713)   | (4,253)                               | (18,715,966)   |
| Balances at December 31, 2024                 | P3,109,734,013                                       | P5,307,451    | (P365,632)              | P3,114,675,832 | P954,621,275                | P608,234,879               | P117,953                                                         | (P62,603,413)                                                          | (P1,238,674,120) | P3,376,372,406 | P153,987                              | P3,376,526,393 |

See accompanying Notes to Consolidated Financial Statements.



**MANILA MINING CORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

|                                                              | Years Ended December 31 |                     |                    |
|--------------------------------------------------------------|-------------------------|---------------------|--------------------|
|                                                              | 2024                    | 2023                | 2022               |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                  |                         |                     |                    |
| Loss before income tax                                       | (₱18,066,068)           | (₱6,931,541)        | (₱7,363,358)       |
| Adjustments for:                                             |                         |                     |                    |
| Depreciation (Notes 9 and 14)                                | 2,326,905               | 2,118,914           | 602,621            |
| Net changes in retirement benefits obligation                | 384,898                 | 452,317             | (14,542,142)       |
| Unrealized foreign exchange loss (gain)                      | (15,439)                | 2,335               | (29,321)           |
| Interest income (Notes 4 and 11)                             | (5,535)                 | (16,059)            | (124,006)          |
| Operating loss before working capital changes                | (15,375,239)            | (4,374,034)         | (21,456,206)       |
| Decrease (increase) in:                                      |                         |                     |                    |
| Receivables                                                  | 497,059                 | 591,854             | (21,562,944)       |
| Inventories                                                  | 2,022,895               | (2,185,461)         | 3,681,821          |
| Prepayments and other current assets                         | (11,717,357)            | (11,951,804)        | 23,079,009         |
| Input VAT under other noncurrent assets                      | 8,042,022               | (16,111,826)        | (10,803,625)       |
| Increase (decrease) in accounts payable and accrued expenses | 88,440,153              | 47,988,777          | (72,998,552)       |
| Cash generated from (used in) operations                     | 71,909,533              | 13,957,506          | (100,060,497)      |
| Interest received                                            | 5,535                   | 16,059              | 124,006            |
| Net cash flows from (used in) operating activities           | 71,915,068              | 13,973,565          | (99,936,491)       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                  |                         |                     |                    |
| Additions to:                                                |                         |                     |                    |
| Deferred mine exploration and evaluation costs               | (79,935,598)            | (121,982,584)       | (177,052,541)      |
| Property and equipment                                       | (4,787,537)             | (87,895,826)        | (23,394,365)       |
| Increase in other noncurrent assets                          | (6,037)                 | (4,466)             | (3,553)            |
| Cash flows used in investing activities                      | (84,729,172)            | (209,882,876)       | (200,450,459)      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                  |                         |                     |                    |
| Collection from stock rights offering (Note 18)              | —                       | 154,355,954         | 364,817,624        |
| Transaction cost (Note 18)                                   | —                       | (199,340)           | (9,191,736)        |
| Cash flows from financing activities                         | —                       | 154,156,614         | 355,625,888        |
| <b>NET INCREASE (DECREASE) IN CASH</b>                       | <b>(12,814,104)</b>     | <b>(41,752,697)</b> | <b>55,238,938</b>  |
| <b>EFFECT OF EXCHANGE RATE CHANGES ON CASH</b>               | <b>15,439</b>           | <b>(2,335)</b>      | <b>29,321</b>      |
| <b>CASH AT BEGINNING OF YEAR</b>                             | <b>16,537,336</b>       | <b>58,292,368</b>   | <b>3,024,109</b>   |
| <b>CASH AT END OF YEAR (Note 4)</b>                          | <b>₱3,738,671</b>       | <b>₱16,537,336</b>  | <b>₱58,292,368</b> |

*See accompanying Notes to Consolidated Financial Statements.*



# MANILA MINING CORPORATION AND SUBSIDIARY

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 1. Corporate Information, Status of Operations and Authorization for the Issuance of the Consolidated Financial Statements

#### Corporate Information

##### Manila Mining Corporation

Manila Mining Corporation (the “Parent Company”) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on June 3, 1949, 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 precious and semi-precious metals, ores, minerals and their by-products. The Parent Company’s shares are listed and traded on the Philippine Stock Exchange (PSE). In 2024, Lepanto Consolidated Mining Company (LCMC), a publicly listed Company, has 16.4% direct and indirect equity interest of the Parent Company.

The principal office of the Parent Company is located at the 20th Floor, Lepanto Building, Paseo de Roxas, Makati City.

##### Kalayaan Copper-Gold Resources, Inc. (KCGRI)

Kalayaan Copper-Gold Resources, Inc. (the Subsidiary), a 95%-owned subsidiary, was incorporated with the SEC on December 19, 2006, primarily to carry on the business of exploration, mining, development and utilization of all mineral resources, milling, concentrating, converting, smelting, treating, preparing for market, manufacturing, buying, selling, exchanging and otherwise producing and dealing in all other kinds of ores, metals and minerals, hydrocarbons acids, and chemicals, and in the products and by-products of every kind and description.

The principal office of KCGRI is located at 21st Floor, Lepanto Building, Paseo de Roxas, Makati City.

#### Status of Operations

##### Manila Mining Corporation

On May 22, 1996, the Parent Company’s Board of Directors (BOD) approved the expansion of its current mill capacity from 8,000 tonnes per day (TPD) to 10,000 TPD, designed to consolidate the installation of the second semi-autogenous grinding mill unit with the original 48-inch pit conveyor project. The expansion was registered with the Board of Investments (BOI) under Executive Order (EO) No. 226 on October 6, 1996.

On November 5, 1997, the BOI approved the Parent Company’s application for registration of its copper flotation project under EO No. 226 on a non-pioneer status. On June 9, 2000, the BOI likewise approved the Parent Company’s application for the modernization program of the copper flotation project under a preferred non-pioneer status. As a registered enterprise, the Parent Company is entitled to certain incentives and tax benefits which include, among others, income tax holiday for a period of four years from February 23, 1998, the actual start of commercial operations.

The two BOI certificates of registration are currently suspended in view of the suspension of the Parent Company’s operations.

On November 30, 2000, the Parent Company’s gold mining and milling operations were temporarily shut down due to the landslide that occurred in one of its open pits.



On December 20, 2000, the Parent Company temporarily shut down its milling operations pending its receipt of a permit to further raise its tailings pond.

On January 29, 2001, after obtaining the necessary permit to increase the height of the tailings pond to the 65-meter limit set by the Department of Environment and Natural Resources (DENR), the Parent Company resumed its milling operations.

On July 26, 2001, the Parent Company's BOD resolved to shut down the Parent Company's mining operations due to the expiration of its temporary authority to construct and operate its tailings dam issued by the DENR. In view of the suspension of the Parent Company's mining operations, the registration of the Parent Company's copper flotation project was suspended by the BOI on August 23, 2005.

In 2005, several companies expressed interest in the area that lies between the Kalayaan district at the extreme southwest end of the Parent Company's tenement holdings and immediately north of the historical operations and the Philex Boyongan discovery. This area has been named the "Corridor" as it covers important geology and structures that connect two significantly mineralized areas. The Corridor also hosts several small gold deposits that are not currently economic to develop and operate. However, with additional investment and operations, it is expected that the reserves would grow significantly.

The Parent Company is a holder of a valid and existing Mineral Production Sharing Agreement (MPSA) No. 253-2007-XIII granted on August 10, 2007 for a period of 25 years from issuance thereof or until August 10, 2032, consisting of 211.50 hectares (has.) located in Placer, Surigao del Norte.

In addition, the Parent Company also filed applications for MPSA, designated as Application for Production Sharing Agreement (APSA) No. 0006-X (AMD.) on September 14, 1992 consisting of 1,580.00 has.; and APSA No. 0007(X) filed on November 26, 1992, consisting of 4,793.85 has., located in Cabadbaran City, Agusan del Norte; and applications for conversion covering its mining lease contracts granted under the old mining law namely, APSA No. XIII-083 filed on February 21, 2003 consisting of 530.00 has.; APSA No. 000107-XIII filed February 17, 2011, consisting of 265.50 has., all situated in Placer, Surigao del Norte. All these applications were already endorsed by the Mine and Geosciences Bureau (MGB) Regional Office in Surigao City to the Director of MGB, for final evaluation and approval by the DENR Secretary.

With the issuance of E.O. No. 130 on April 14, 2021 requiring all pending APSAs to be converted into Exploration Permit Applications (EXPAs), the Parent Company filed for the conversion of its pending APSAs into EXPAs denominated as EXPA No. 000249-XIII (formerly APSA No. 000006-X); EXPA No. 000250-XIII (formerly APSA No. 000007(X)); EXPA No. 000252-XIII (formerly APSA No. 000083-XIII); and EXPA No. 000269-XIII (formerly APSA No. 000107-XIII). EXPA 000252-XIII was approved and registered by the MGB on November 13, 2024 and denominated as Exploration Permit No. 000041-XIII.

The second renewal of Exploration Permit (EP) No. XIII-014-A under the name of the Parent Company was granted on April 28, 2010 valid until April 28, 2012. Prior to its expiration, an application for another renewal was filed by the Parent Company on April 20, 2012 for the purpose of completing the feasibility study, consisting of 2,176.28 has. also, in Placer, Surigao del Norte and is awaiting approval by the Director of MGB. On April 24, 2013, the Parent Company paid the amount of Php653,100 representing payment for renewal fee for EP No. XIII-014-A, pursuant to DENR Administrative Order (DAO) No. 2013-10.



On January 4, 2017, a second renewal of the two-year Exploration Period of MPSA No. 253-2007-XIII was granted by MGB to the Parent Company pursuant to the pertinent provisions of DAO No. 2010-21 providing for a Consolidated DAO for Implementing Rules and Regulations of Republic Act (RA) No. 7942, otherwise known as the “Philippine Mining Act of 1995” which represents the 5th and 6th years of the Exploration Period of the MPSA. This shall not constitute an extension of the 25-year term of MPSA No. 253-2007-XIII.

On December 5, 2017, the MGB granted the Parent Company an “Authority to Verify Minerals” which will enable the Parent Company to undertake further exploration drilling in the Mapaso Area covered by APSA-000107-XIII. The objective of this drilling program is to lift confidence in present resource estimates which is the basis of financial plans towards resumption of mining activities. The authority is valid for one year.

The Parent Company raised capital in 2022 for the purposes of resuming exploration drilling within its tenements, settlement of liabilities, and to meet other cash requirements.

On 16 March 2022, a third renewal of the two-year Exploration period of MPSA No. 253-2007-XIII was granted by the MGB, representing the fourth period. The Exploration Program focused on a significant deep-seated porphyry-type copper-gold mineralization. A total of eight holes were drilled covering a total of 12,635 meters.

On March 20, 2024, an application for the 4th renewal of the two-year Exploration period of MPSA No. 253-2007-XIII was submitted by the Parent Company to the MGB pursuant to the pertinent provisions of DAO No. 2010-21 providing for a Consolidated DAO for Implementing Rules and Regulations of Republic Act (RA) No. 7942. The 4th renewal was approved by the MGB on December 5, 2024.

*Kalayaan Copper-Gold Resources, Inc.*

Exploration drilling activities on the Kalayaan project started in 2007. On January 22, 2007, the Parent Company has initiated mining activities through an exploration program adopted during the last quarter of 2006.

On May 11, 2011, the Parent Company, KCGRI and Philex Mining Corporation (Philex), finalized an agreement for the exploration and joint development of the Kalayaan Project located in Placer, Surigao del Norte.

The Kalayaan Project, which is registered under KCGRI, is covered by EP No. XIII-014B.

Prior to the expiration of EP-XIII-014B, an application for another renewal was filed by KCGRI on April 18, 2012 for the purpose of conducting a more in-depth and detailed exploration in the area and to complete the feasibility study and is awaiting approval by the Director of MGB.

On April 18, 2017, the BOD of the Parent Company approved a two-year extension of Earn-In Period in the Farm-In Agreement (FIA) among KCGRI, the Parent Company and Philex in view of the delay in the approval of the renewal of EP No. XIII-014B. On January 8, 2019, the Parent Company agreed for another two-year extension of the Earn-in Period; the period was further extended by two years on December 17, 2020, and again for an additional two years on May 16, 2023. The new Earn-in Period is 14 years following the execution of the Farm-In Agreement and will expire on May 10, 2025.





#### The Group's Ability to Continue as a Going Concern

As discussed in the preceding section of this note, the Group is currently under exploration stage and is highly dependent on the result of continuous exploration drilling in assessing whether to ultimately develop the mine and start mining operations. Given the status of its current operations, the Group incurred net loss of ₱18.0 million, ₱6.8 million and ₱11.0 million in 2024, 2023, and 2022, respectively, resulting in deficit of ₱1,238.7 million and ₱1,220.7 million as of December 31, 2024 and 2023, respectively. Also, the Group's current liabilities exceeded its current assets by ₱203.3 million and ₱111.2 million as of December 31, 2024 and 2023, respectively.

In response to these matters, the Group is planning to take the following actions:

- manage expenditures for its day-to-day activities
- re-open the operations in Surigao del Norte
- complete drilling program to validate the extent of the mineral resource and come up with an ore reserve estimate
- undertake a feasibility study which would prescribe a commercially viable operation
- obtain financial support through advances from a stockholder for the development of the mine, establishment of a mill and ancillary facilities

Management has determined that the actions above are sufficient to raise financial resources for at least the next twelve months from December 31, 2024 and has therefore prepared the consolidated financial statements on a going concern basis.

#### Authorization for the Issuance of the Consolidated Financial Statements

The Parent Company's BOD has delegated the authority to approve the financial statements to the Audit Committee. Accordingly, the consolidated financial statements were authorized for issuance by the Parent Company's Audit Committee on April 29, 2025.

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## **2. Basis of Preparation, Statement of Compliance, Basis of Consolidation, Changes in Accounting Policies and Material Accounting Policy Information**

#### Basis of Preparation

The consolidated financial statements of the Group have been prepared under the historical cost basis, except for financial assets designated at fair value through other comprehensive income (FVOCI) that have been measured at fair value. The consolidated financial statements are presented in Philippine Peso, the Parent Company's and the Subsidiary's functional and presentation currency. All amounts are rounded to the nearest peso, except when otherwise indicated. The consolidated financial statements provide comparative information in respect of the previous period.

The specific accounting policies followed by the Group are disclosed in the following section.

#### Statement of Compliance

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



### Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company and the Subsidiary. The financial statements of the subsidiary are prepared for the same reporting year as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group controls an investee if and only if the Group has all of the following:

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

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

- The contractual arrangements with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- The Group's voting rights and potential voting rights.

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

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests (NCI), even if this results in the NCI having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Parent Company's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction under equity reserve. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, NCI and other components of equity, while any gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

### *Subsidiaries*

Subsidiaries are entities over which the Parent Company has control.



### *NCI*

NCI represents the interests in the subsidiary not held by the Parent Company and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from the equity attributable to equity holders of the Parent Company. Where the ownership of a subsidiary is less than 100%, and therefore an NCI exists, any losses of that subsidiary are attributed to the NCI even if that results in a deficit balance. Transactions with NCI are accounted for as equity transactions.

### Changes in Accounting Policies

#### New and Amended Standards and Interpretations

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 financial statements of the Group.

- Amendments to Philippine Accounting Standards (PAS) 1, *Classification of Liabilities as Current or Noncurrent*

The amendments clarify:

- That only covenants with which an entity must comply on or before financial reporting date will affect a liability's classification as current or noncurrent.
- 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*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

#### 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*

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards - Volume 11
  - Amendments to PAS 7, *Cost Method*
  - 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"*



*Effective beginning on or after January 1, 2027*

- PFRS 18, *Presentation and Disclosure in Financial Statements*  
The standard replaces PAS 1, *Presentation of Financial Statements* and responds to investors' demand for better information about companies' financial performance. The new requirements include:
  - Required totals, subtotals and new categories in the statement of comprehensive income
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation
- PFRS 19, *Subsidiaries without Public Accountability*

*Deferred effectivity*

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

Material Accounting Policy Information

Presentation of Consolidated Financial Statements

The Group has elected to present all items of recognized income and expense in a single consolidated statement of comprehensive income.

Current versus Noncurrent Classification

The Group presents assets and liabilities in consolidated statement of financial position based on current/noncurrent classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the financial reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the financial reporting period.

The Group classifies all other assets as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the financial reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the financial reporting period.

The Group classifies all other liabilities as noncurrent.

Cash

Cash includes cash on hand and in banks. Cash in banks is stated at face value and earns interest at respective bank deposit rates.



### Financial Instruments

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, FVOCI and fair value through profit or loss (FVPL).

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 FVPL, transaction costs.

In order for cash and receivables 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) criterion. 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.

For equity instruments, these are classified and measured at FVOCI.

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.

##### *Subsequent Measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

##### *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 criterion.

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 pertains to cash, receivables, contract deposits under 'Prepayments and other current assets', and mine rehabilitation fund (MRF) 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 consolidated statement of comprehensive income 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.

The Group elected to classify under this category its quoted and unquoted equity shares under 'Financial assets designated at FVOCI'.

*Financial Assets at FVPL*

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of comprehensive income.

The Group has no financial assets under this category.

*Impairment*

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. 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 cash, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### *Financial Liabilities*

#### *Initial Recognition and Measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL or amortized cost.

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

The Group's financial liabilities is composed of accounts payable and accrued expenses which are classified as financial liabilities at amortized cost. The Group has no financial liabilities at FVPL.

#### *Subsequent Measurement*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as interest expense in the consolidated statement of comprehensive income. This category generally applies to interest-bearing loans and borrowings.

### Derecognition of Financial Instruments

#### *Financial Assets*

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

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



When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. 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.

#### *Financial Liabilities*

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. When 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 statement of comprehensive income. The difference in the respective carrying amount is recognized in the consolidated statement of comprehensive income.

#### Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### Fair Value Measurement

The Group measures financial instruments at fair value at each end of the reporting period. Also, fair values of financial instruments measured at amortized cost are disclosed in Note 20.

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 by 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 statement are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value 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 each end of the reporting period.

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market close prices at the close of business on the end of the reporting period.

For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include comparison to similar investments for which market observable prices exist and discounted cash flow analysis or other valuation models.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### Inventories

Inventories consists of parts, supplies, fuel and lubricants which are stated at the lower of cost net realizable value (NRV). Cost of parts and supplies on hand are determined at moving average. Costs of inventories comprise all costs of purchase and other costs incurred in bringing the materials and supplies to their present location and condition. NRV for parts and supplies is the value of the inventories' replacement cost. In determining the NRV, the Group considers any adjustments necessary for obsolescence. Provision for losses is determined by reference to specific items of inventories.

The Group determines the NRV of inventories at each reporting period. If the cost of the inventories exceeds its NRV, the asset is written down to its NRV and inventory loss is recognized in the consolidated statement of comprehensive income in the period the impairment incurred. In case the NRV of the inventories increased subsequently, the NRV will increase the carrying amount of inventories but only to the extent of the inventory loss previously recognized.

#### Prepayments and Other Current Assets

The Group's prepayments and other current assets include contract deposits and miscellaneous deposits. These are classified as current since the Group expects to realize or consume the assets within 12 months after the end of the reporting period.



#### *Contract Deposits*

Contract deposits pertain to deposits made for future drilling services of its affiliate. These are classified as current since these are expected to be offset against future short-term billings and may be refunded upon nonperformance of services. These are recognized in the books at amounts initially paid.

#### *Miscellaneous deposits*

Miscellaneous deposits are advance payments made to supplier of services. These are classified as current since these are expected to be offset against future short-term billings and are recognized in the books at amounts initially paid.

#### Property and Equipment

Property and equipment, except land, are carried at cost less accumulated depletion and depreciation and impairment in value, if any.

The initial cost of property and equipment comprises its purchase price or construction cost, including import duties and nonrefundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Such cost includes the cost of replacing part of such property and equipment when that cost is incurred if the recognition criteria are met.

Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance, are normally charged to expense in the period when the costs are incurred.

When a mine construction project moves into production stage, the capitalization of mine construction costs ceases, and costs are either regarded as inventory or expensed, except for costs which qualify for capitalization relating to mine site additions or improvements, underground mine development or mineable reserve development.

In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. Major maintenance and major overhaul costs that are capitalized as part of property and equipment are depreciated on a straight-line basis over the shorter of their estimated useful lives, typically the period until the next major maintenance or inspection, or the estimated useful life of the related property and equipment.

Land is recorded at cost less any impairment in value.

Depreciation is calculated using the straight-line method to allocate the cost of each asset less its residual value, if any, over its estimated useful life, as follows:

| Type of Asset                         | Estimated Useful Life in Years |
|---------------------------------------|--------------------------------|
| Machinery and equipment               | 5 to 20                        |
| Building and improvements             | 20                             |
| Furniture, office and other equipment | 5                              |

Depreciation of property and equipment begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Each part of an item of property and equipment with a cost that is significant in relation to the total cost of an item shall be depreciated separately.



Depreciation ceases when assets are fully depreciated or at earlier of the date that line item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, and the date the item is derecognized.

The assets' residual values, if any, useful lives and methods of depletion and depreciation are reviewed at each reporting period and adjusted prospectively, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Construction in-progress represents work under construction and is stated at cost. Construction in-progress is not depreciated until such time that the relevant assets are completed and available for use.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statement of comprehensive income in the year the item is derecognized.

Fully-depreciated property and equipment are maintained in the accounts until these are no longer in use.

#### Deferred Mine Exploration and Evaluation Costs

Pre-license costs are expensed in the period in which they are incurred. Once the legal right to explore has been acquired, exploration and evaluation expenditure is deferred as asset when future economic benefit is more likely than not to be realized. These costs include materials and fuels used, surveying costs, drilling costs and payments made to contractors. The Group capitalizes any further evaluation costs incurred to exploration and evaluation assets up to the point when a commercial reserve is established.

In evaluating if expenditures meet the criteria to be capitalized, several different sources of information are utilized. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed. Once commercial reserves are established, exploration and evaluation assets are tested for impairment and transferred to mine and mining properties. No amortization is charged during the exploration and evaluation phase. If the area is found to contain no commercial reserves, the accumulated costs are expensed. Mine exploration costs of mineral properties that have been in operations were capitalized as mine and mining property and are included in "Deferred Mine Exploration and Evaluation Costs" account.

#### Other Noncurrent Assets

Other noncurrent assets of the Group include the excess input value-added tax (VAT), prepaid royalties, advances to land owners and various deposits. These are classified as noncurrent since the Group expects to utilize the assets beyond 12 months from the end of the reporting period.



#### *Input VAT*

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

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

Input VAT represents the VAT paid on purchases of applicable goods and services, net of output tax, which can be claimed for refund or recovered as tax credit against future tax liability of the Group upon approval by the Philippine Bureau of Internal Revenue (BIR). Input VAT on capitalized goods exceeding ₱1,000,000 is subject to amortization and any excess may be utilized against output VAT, if any, beyond 12 months from the reporting period or can be claimed for refund or as tax credits with the Philippine Department of Finance.

#### *Prepaid Royalties*

Prepaid royalties are advance payments to claim owners and real property taxes.

#### Impairment of Nonfinancial Assets

##### *Prepayments and Other Current Assets and Other Noncurrent Assets*

The Group provides allowance for impairment losses on prepayments and current assets and other noncurrent assets when they can no longer be realized. The amounts and timing of recorded expenses for any period would differ if the Group made different judgments or utilized different estimates. An increase in allowance for impairment losses would increase recorded expenses and decrease the nonfinancial assets.

#### *Property and Equipment*

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount of an asset exceeds its recoverable amount, the asset or cash generating unit (CGU) is written down to its recoverable amount. The estimated recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction less the costs of disposal while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in the consolidated statement of comprehensive income.

Recovery of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. The recovery is recorded in the consolidated statement of comprehensive income. However, the increased carrying amount of an asset due to a recovery of an impairment loss is recognized only to the extent that it does not exceed the carrying amount that would have been determined (net of depletion and depreciation) had no impairment loss been recognized for that asset in prior years.



#### *Deferred Mine Exploration and Evaluation Costs*

Deferred mine exploration and evaluation costs are assessed for impairment when facts and circumstances suggest that the carrying amount of the deferred mine exploration and evaluation costs may exceed its recoverable amount. An impairment review is performed, either individually or at the CGU level, 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. Exploration assets are reassessed on a regular basis and these costs are carried forward provided that at least one of the following conditions is met:

- Such costs are expected to be recouped in full through successful development and 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.

An impairment loss recognized in prior periods for an asset other than goodwill must be reversed if, and 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 this is the case, the carrying amount of the asset must be increased to its recoverable amount. However, such reversal must not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

#### Provisions

##### *General*

Provisions are recognized when the Group has a present obligation (legal and constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are made by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense in the consolidated statement of comprehensive income.

When the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the receipt of the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive income, net of any reimbursement.

#### Capital Stock and Additional Paid-In Capital (APIC)

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in the consolidated statement of changes in equity as a deduction from proceeds. The excess of proceeds from issuance of shares over the par value of shares are credited to APIC.

Subscribed capital stock is reported in equity less the related subscription receivable.



#### *Stock Issuance Costs*

Stock issuance costs represent amounts paid for legal, consulting, and other offering expenses in conjunction with the raising of additional capital performed during the year. These costs are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

#### Deficit

Deficit represents accumulated losses of the Group, dividend distributions, prior period adjustments, effects of changes in accounting policy and other capital adjustments.

#### Share-based Payments

The Parent Company has equity-settled, share-based compensation plans with its officers and employees.

#### *Stock Option Plan*

The Parent Company has stock option plan which allows the grantees to purchase the Parent Company's shares. The Parent Company recognizes stock compensation expense over the holding period. The Parent Company treats its stock option plan as option exercisable within a given period. Dividends paid on the awards that have vested are deducted from equity and those paid on awards that are unvested are charged to profit or loss. For the unsubscribed shares where the grantees still have the option to subscribe in the future, these are accounted for as options.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

#### Equity Reserve

Equity reserve represents the effect of the transaction of the Parent Company arising from change in ownership interest in a subsidiary without loss of control.

#### Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

#### *Interest Income*

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

#### Other Income (Charges)

Other income (charges) is recognized when earned or incurred.

#### OCI

OCI comprises items of income and expense (including items previously presented under the parent company statement of changes in equity) that are not recognized in the profit or loss for the year in accordance with PFRS.

#### Costs and Expenses

Cost and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Administrative and overhead costs are generally recognized when the service is used or as the expense arises.



### Leases

The Group assesses at contract inception, all arrangements to determine whether they are, or contain, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company is not a lessor in any transactions, it is only a lessee.

#### *Group as a Lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### *Leases of Low-value Assets*

The Group applies the leases of low-value assets recognition exemption to lease of office space that is considered to be of low value. Lease payments on leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

### Employee Benefits

The net defined retirement benefits 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 retirement benefits liability or asset
- Re-measurements of net defined retirement benefits 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 consolidated statement of comprehensive 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 retirement benefits liability or asset is the change during the period in the net defined retirement benefits 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 retirement benefits liability or asset. Net interest on the net defined retirement benefits liability or asset is recognized as expense or income in consolidated statement of comprehensive income.

Re-measurements, comprising actuarial gains and losses, are recognized immediately in OCI in the period in which they arise. Re-measurements are not reclassified to consolidated statement of comprehensive income in subsequent periods.



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

#### *Termination Benefit*

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

#### *Employee Leave Entitlement*

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before 12 months after the end of the annual reporting period is recognized for services rendered by employees up to the end of reporting period.

#### Foreign Currency Transactions

Transactions in foreign currencies are recorded using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated using the closing rate at the reporting period. Foreign exchange differences between rate at transaction date and rate at settlement date or at each reporting period are credited to or charged against the consolidated statement of comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

#### Income Taxes

##### *Current Income Tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as at reporting period.

##### *Deferred Income Tax*

Deferred income tax is provided using the balance sheet 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 tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss; and





- in respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carryforward benefits of unused tax credits and unused net tax losses, to the extent that it is probable that sufficient future taxable income will be available against which the deductible temporary differences, and carryforward benefits of unused tax credits and unused tax losses can be utilized except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and sufficient future taxable income will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date 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 tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that sufficient future taxable income will all or in part allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

Deferred tax relating to items recognized outside the consolidated statement of comprehensive income, are recognized in correlation to the underlying transaction, either in OCI or directly in equity.

#### Earnings (Loss) Per Share

Earnings (loss) per share amounts are calculated by dividing the net earnings (loss) attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding, adjusted for any stock dividends declared during the year.

Diluted earnings (loss) per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary 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 the dilutive ordinary shares into ordinary shares.



#### Operating Segment

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments. The Group has only one business and geographical segment.

#### Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

#### Events After the End of the Reporting Period

Events after the end of the reporting period that provide additional information about the Group's position at the end of the reporting period (adjusting events) are reflected in the consolidated financial statements. Events after the end of the reporting period that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

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### **3. Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the consolidated financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses, and the disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the judgments assumptions used in arriving at the estimates to change. The effects of any change in judgments and 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 involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

#### *Use of Going Concern Assumption*

The underlying assumption in the preparation of the accompanying consolidated financial statements is that the Group has the ability to continue as a going concern for at least the next 12 months from December 31, 2024. The use of the going concern assumption involves management making significant judgments, at a particular point in time, about the future outcome of events or conditions that are inherently uncertain which include, but are not limited to, forecasted level of exploration/drilling expenditures, operating costs, cash flows and the other potential sources of financing including financial support through advances from a stockholder. Management has assessed that the steps undertaken or will be undertaken to manage financing plans, complete drilling program, undertake a feasibility study and obtain financial support through advances from a stockholder for the development of the mine, among others, as disclosed in Note 1, are feasible to support its going concern assumption. Accordingly, the accompanying consolidated financial statements have been prepared on a going concern basis of accounting.



#### *Assessing Impairment of Property and Equipment*

The Group assesses impairment on property and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry or economic trends.

In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that can materially affect the consolidated financial statements. These assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss would be recognized whenever evidence exists that the carrying value is not recoverable. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

An impairment loss is recognized and charged to the consolidated statement of comprehensive income if the recoverable amount is less than the carrying amount. The estimated recoverable amount of the asset is the higher of an asset's fair value less costs to sell and value in use. Fair value less costs to sell is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction less the costs of disposal while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

The aggregate net book values of property and equipment amounted to ₱196,482,913 and ₱199,578,410 as at December 31, 2024 and 2023, respectively, net of allowance for impairment losses of ₱161,988,540 as at December 31, 2024 and 2023 (see Note 9).

#### *Assessing Recoverability of Deferred Mine Exploration and Evaluation Costs*

Cost related to exploration activities are capitalized as deferred mine exploration and evaluation costs until the viability of the exploration project is determined. Exploration, evaluation and pre-feasibility costs are charged to operations until such time that it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized. The Group reviews the carrying values of its mineral property interests whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts. Mine exploration costs amounted to ₱3,396,261,275 and ₱3,310,769,548, as at December 31, 2024 and 2023, respectively, net of allowance for impairment losses of ₱94,692,291 as at December 31, 2024 and 2023 (see Note 10).

#### Estimates and Assumptions

The consolidated financial statements prepared in accordance with PFRS Accounting Standards require management to make estimates and assumptions that affect amounts reported in the consolidated financial statements and related notes. The estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the Group's consolidated financial statements. Actual results could differ from such estimates.



#### *Estimating Impairment of Input VAT*

The Group assesses impairment on its input VAT whenever events or changes in circumstances indicate that the carrying amount of input VAT may not be recovered. As at December 31, 2024 and 2023, carrying values of input VAT amounted to ₱18,981,458 and ₱27,023,476 respectively (see Note 11).

Provision for impairment losses on input VAT amounted to ₱10,870,461, ₱41,185, and ₱66,840 in 2024, 2023 and 2022, respectively (see Notes 11 and 15).

#### *Estimating Allowance for Inventory Losses*

Mill materials, hardware and other supplies, which are used in the Group's operations, are stated at the lower of cost or NRV. Allowance due to obsolescence is established when there are evidences that the equipment where the parts and supplies are originally purchased for is no longer in service. Inventories which are nonmoving or have become unusable are priced at their recoverable amount.

Inventories, at lower of cost or NRV, amounted to ₱5,148,614 and ₱7,171,509 as at December 31, 2024 and 2023, respectively, net of allowance for inventory losses of ₱69,647,524 and ₱69,647,524 as at December 31, 2024 and 2023, respectively. Provision for inventory losses amounted to nil, nil, and ₱48,394 in 2024, 2023 and 2022, respectively (see Note 6 and 15).

#### *Estimating Realizability of Deferred Tax Assets*

The Group reviews the carrying amounts of deferred tax assets at each end of the financial reporting date and reduces the carrying amount 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 tax assets to be utilized.

The Group has recognized deferred tax assets amounting to ₱59,199,758 and ₱58,858,561 as at December 31, 2024 and 2023, respectively. No deferred tax assets were recognized for temporary differences amounting to ₱262,142,523 and ₱244,538,068 as at December 31, 2024 and 2023, respectively, since management believes that there is no assurance that the Group will generate sufficient future taxable income to allow all or part of its deferred tax assets to be utilized (see Note 17).

#### *Determining Retirement Benefits Obligation*

The determination of the Group's obligation and cost for retirement and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. These assumptions are described in Note 16 to the consolidated financial statements. Retirement benefits obligation amounted to ₱3,926,030 and ₱3,902,814 as at December 31, 2024 and 2023, respectively (see Note 16). Retirement benefits costs amounted to ₱384,898, ₱452,317, and ₱1,330,066 in 2024, 2023 and 2022, respectively (see Note 16).

#### *Estimating Contingencies*

The Group evaluates legal and administrative proceedings to which it is involved based on analysis of potential results. Management and its legal counsels do not believe that any current proceedings will have adverse effects on its financial position and results of operations. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of strategies relating to these proceedings (see Note 24).



#### 4. Cash

|               | 2024              | 2023               |
|---------------|-------------------|--------------------|
| Cash on hand  | <b>₱245,520</b>   | ₱866,219           |
| Cash in banks | <b>3,493,151</b>  | 15,671,117         |
|               | <b>₱3,738,671</b> | <b>₱16,537,336</b> |

Cash in banks earn interest at the respective bank deposit rates. Total interest income earned amounted to ₱1,007, ₱11,601, and ₱120,545 in 2024, 2023 and 2022, respectively.

The Group has United States Dollar (US\$)-denominated cash on hand amounted to nil as at December 31, 2024 and 2023 while US\$-denominated cash in banks amounted to US\$6,169 and US\$6,165 as at December 31, 2024 and 2023.

#### 5. Receivables - net

|                                           | 2024               | 2023               |
|-------------------------------------------|--------------------|--------------------|
| Stock options receivable                  | <b>₱9,780,000</b>  | ₱9,780,000         |
| Nontrade receivables                      | <b>21,568,486</b>  | 22,065,545         |
|                                           | <b>31,348,486</b>  | 31,845,545         |
| Less allowance for expected credit losses | <b>10,859,666</b>  | 10,859,666         |
|                                           | <b>₱20,488,820</b> | <b>₱20,985,879</b> |

Stock options receivables are non-interest-bearing receivables from employees in respect of stock options exercised under a share-based plan (see Note 24c).

Nontrade receivables which are non-interest bearing comprise mainly of receivables from subcontractors and other third parties. Nontrade receivables are collectible on demand.

Based on the assessment by management, the Group recognized an allowance for expected credit losses on specifically identified credit-impaired accounts amounting to ₱10,859,666 as at December 31, 2024 and 2023. Receivables which were not individually significant and receivables which were individually significant for which no specific impairment were recognized, were assessed and were subject to 12- month ECL and lifetime ECL, respectively. An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12 months ECL.

Provisions for ECL amounted to nil for 2024, 2023 and 2022.

#### 6. Inventories

|                                | 2024              | 2023              |
|--------------------------------|-------------------|-------------------|
| At NRV:                        |                   |                   |
| Machinery and automotive parts | <b>₱4,936,455</b> | ₱6,799,669        |
| At cost:                       |                   |                   |
| Fuel, oil and lubricants       | <b>212,159</b>    | 371,840           |
|                                | <b>₱5,148,614</b> | <b>₱7,171,509</b> |



Cost of inventories carried at NRV are as follows:

|                                             | 2024               | 2023        |
|---------------------------------------------|--------------------|-------------|
| Mill materials, hardware and other supplies | <b>₱55,221,970</b> | ₱57,085,184 |
| Machinery and automotive parts              | <b>19,362,009</b>  | 19,362,009  |
|                                             | <b>₱74,583,979</b> | ₱76,447,193 |

Movements in allowance for inventory losses in 2024 and 2023 are as follows:

|                              | 2024                | 2023        |
|------------------------------|---------------------|-------------|
| Balance at beginning of year | <b>₱ 69,647,524</b> | ₱69,651,293 |
| Reversal                     | —                   | (3,769)     |
| Balance at end of year       | <b>₱69,647,524</b>  | ₱69,647,524 |

Provisions for inventory losses amounted to nil in 2024 and 2023, and ₱48,394 in 2022, respectively (see Note 15).

## 7. Prepayments and Other Current Assets

|                        | 2024               | 2023        |
|------------------------|--------------------|-------------|
| Contract deposits      | <b>₱13,003,192</b> | ₱13,003,192 |
| Miscellaneous deposits | <b>30,067,573</b>  | 17,432,225  |
| Prepaid insurance      | <b>18,231</b>      | 936,222     |
| Others                 | <b>62,962</b>      | 62,962      |
|                        | <b>₱43,151,958</b> | ₱31,434,601 |

Contract deposits pertain to deposits made for future drilling services of its affiliate, Diamond Drilling Corporation of the Philippines (DDCP), which amounted to ₱12,649,531. This is refundable upon nonperformance of services (see Note 13). Contract deposits also include deferred charges for various equipment and other charges.

Miscellaneous deposits pertain to down payments made to building and civil works contractors and supplier of equipment and supplies related to the construction. It also includes deposits on gas cylinder containers which will be refunded after return of said containers.

Prepaid insurance pertains to the payments made to insure newly acquired transportation equipment.

Others pertain to the balance of garnished bank accounts due to a litigation that the Parent Company is indirectly a party of.

## 8. Financial Assets Designated at FVOCI

|                      | 2024              | 2023       |
|----------------------|-------------------|------------|
| Quoted instruments   | <b>₱5,215,706</b> | ₱6,227,709 |
| Unquoted instruments | <b>2,118,145</b>  | 2,118,145  |
|                      | <b>₱7,333,851</b> | ₱8,345,854 |



Quoted instruments pertain to investment on common shares of LCMC. These equity instruments pertain to Lepanto A shares totaling to 77,846,363 as at December 31, 2024 and 2023. The fair value on the quoted instrument is based on the exit market price of ₱0.07 and ₱0.08 at December 31, 2024 and 2023, respectively.

Unquoted instruments pertain to investment in a private company. These unquoted financial instruments pertain to Manila Peninsula shares totaling to 750,000 as at December 31, 2024 and 2023.

As at December 31, 2024 and 2023, the Group has no intention to dispose its unquoted instruments.

Movement of financial assets designated at FVOCI in 2024 and 2023 is as follows:

|                                                              | 2024               | 2023        |
|--------------------------------------------------------------|--------------------|-------------|
| Balances at beginning of year                                | <b>₱8,345,854</b>  | ₱10,603,399 |
| Change in fair value of financial assets designated at FVOCI | <b>(1,012,003)</b> | (2,257,545) |
| Balances at end of year                                      | <b>₱7,333,851</b>  | ₱8,345,854  |

Movement in the “Fair value reserve of financial assets designated at FVOCI” presented as separate component of equity as at December 31, 2024 and 2023 follow:

|                               | 2024               | 2023        |
|-------------------------------|--------------------|-------------|
| Balances at beginning of year | <b>₱61,591,410</b> | ₱59,333,865 |
| Fair valuation loss           | <b>1,012,003</b>   | 2,257,545   |
| Balances at end of year       | <b>₱62,603,413</b> | ₱61,591,410 |

There was no dividend income earned from the quoted equity instruments in 2024, 2023 and 2022.



9. Property and Equipment - net

|                                         | Construction<br>In-progress | Land              | Machinery and<br>Equipment | Building and Land<br>Improvements | Furniture,<br>Office<br>and Other<br>Equipment | Total               |
|-----------------------------------------|-----------------------------|-------------------|----------------------------|-----------------------------------|------------------------------------------------|---------------------|
| <b>2024</b>                             |                             |                   |                            |                                   |                                                |                     |
| <b>Cost:</b>                            |                             |                   |                            |                                   |                                                |                     |
| Balances at beginning of year           | ₱103,687,594                | ₱7,270,713        | ₱820,114,180               | ₱215,341,858                      | ₱122,379,790                                   | ₱1,268,794,135      |
| Additions                               | 2,616,885                   | —                 | —                          | —                                 | 2,170,652                                      | 4,787,537           |
| Balances at end of year                 | 106,304,479                 | 7,270,713         | 820,114,180                | 215,341,858                       | 124,550,442                                    | 1,273,581,672       |
| <b>Accumulated depreciation:</b>        |                             |                   |                            |                                   |                                                |                     |
| Balances at beginning of year           | —                           | —                 | 674,872,003                | 114,546,193                       | 117,808,989                                    | 907,227,185         |
| Depreciation                            | —                           | —                 | 436,512                    | 5,221,118                         | 2,225,404                                      | 7,883,034           |
| Balances at end of year                 | —                           | —                 | 675,308,515                | 119,767,311                       | 120,034,393                                    | 915,110,219         |
| <b>Allowance for impairment losses:</b> |                             |                   |                            |                                   |                                                |                     |
| Balances at beginning and end of year   | —                           | —                 | 143,720,880                | 18,086,096                        | 181,564                                        | 161,988,540         |
| <b>Net book values</b>                  | <b>₱106,304,479</b>         | <b>₱7,270,713</b> | <b>₱1,084,785</b>          | <b>₱77,488,451</b>                | <b>₱4,334,485</b>                              | <b>₱196,482,913</b> |
|                                         |                             |                   |                            |                                   |                                                |                     |
|                                         | Construction<br>In-progress | Land              | Machinery and<br>Equipment | Building and Land<br>Improvements | Furniture,<br>Office<br>and Other<br>Equipment | Total               |
| <b>2023</b>                             |                             |                   |                            |                                   |                                                |                     |
| <b>Cost:</b>                            |                             |                   |                            |                                   |                                                |                     |
| Balances at beginning of year           | ₱17,583,816                 | ₱7,270,713        | ₱820,012,215               | ₱215,341,858                      | ₱120,689,707                                   | ₱1,180,898,309      |
| Additions                               | 86,103,778                  | —                 | 101,965                    | —                                 | 1,690,083                                      | 87,895,826          |
| Balances at end of year                 | 103,687,595                 | 7,270,713         | 820,114,180                | 215,341,858                       | 122,379,790                                    | 1,268,794,135       |
| <b>Accumulated depreciation:</b>        |                             |                   |                            |                                   |                                                |                     |
| Balances at beginning of year           | —                           | —                 | 674,437,191                | 109,325,075                       | 116,100,155                                    | 899,862,421         |
| Depreciation                            | —                           | —                 | 434,812                    | 5,221,118                         | 1,708,834                                      | 7,364,764           |
| Balances at end of year                 | —                           | —                 | 674,872,003                | 114,546,193                       | 117,808,989                                    | 907,227,185         |
| <b>Allowance for impairment losses:</b> |                             |                   |                            |                                   |                                                |                     |
| Balances at beginning and end of year   | —                           | —                 | 143,720,880                | 18,086,096                        | 181,564                                        | 161,988,540         |
| <b>Net book values</b>                  | <b>₱103,687,595</b>         | <b>₱7,270,713</b> | <b>₱1,521,297</b>          | <b>₱82,709,569</b>                | <b>₱4,389,236</b>                              | <b>₱199,578,410</b> |





Total depreciation of property and equipment charged to operations amounted to ₱2,326,905, ₱2,118,914, and ₱602,621 in 2024, 2023 and 2022, respectively (see Note 14). Depreciation of property and equipment amounting to ₱5,556,129, ₱5,245,850, and ₱5,548,467 were capitalized in 2024, 2023 and 2022, respectively, as part of deferred mine exploration and evaluation costs (see Note 10).

Construction in-progress pertains to the construction of corehouse to store coretrays used in the exploration activities.

#### 10. Deferred Mine Exploration and Evaluation Costs

|                                      | 2024                  | 2023           |
|--------------------------------------|-----------------------|----------------|
| Balance at beginning of year         | <b>₱3,405,461,839</b> | ₱3,278,233,405 |
| Additions                            | <b>79,935,598</b>     | 121,982,584    |
| Capitalized depreciation (Note 9)    | <b>5,556,129</b>      | 5,245,850      |
|                                      | <b>3,490,953,566</b>  | 3,405,461,839  |
| Less allowance for impairment losses | <b>94,692,291</b>     | 94,692,291     |
|                                      | <b>₱3,396,261,275</b> | ₱3,310,769,548 |

Deferred mine exploration and evaluation costs includes balance of KCGRI amounting to nil, net of allowance for impairment losses amounting to ₱94,692,291, as at December 31, 2024 and 2023.

As discussed in Note 1, the Parent Company has valid and existing MPSA as at December 31, 2024. Costs incurred pertaining to the exploration activities on the tenements covered by the said permit are expected to be recovered once commercial operations resume.

#### 11. Other Noncurrent Assets

|                                                   | 2024                | 2023         |
|---------------------------------------------------|---------------------|--------------|
| Input VAT                                         | <b>₱130,670,192</b> | ₱127,841,749 |
| MRF                                               | <b>5,213,619</b>    | 5,207,582    |
| Prepaid royalties                                 | <b>4,998,939</b>    | 4,998,939    |
| Miscellaneous deposits                            | <b>1,682,066</b>    | 1,682,066    |
| Deposit receivables                               | <b>326,117</b>      | 326,117      |
| Advances to landowners                            | <b>1,508,341</b>    | 1,508,345    |
|                                                   | <b>144,399,274</b>  | 141,564,798  |
| Less allowance for impairment losses on input VAT | <b>111,688,734</b>  | 100,818,273  |
|                                                   | <b>₱32,710,540</b>  | ₱40,746,525  |

Input VAT represents VAT paid on purchases of goods and services which can be recovered as tax credit against future tax liability of the Parent Company upon approval by the BIR.

On November 13, 1998, the Parent Company entered into a separate Memorandum of Agreement with the Office of Municipal Mayor and Sangguniang Bayan of Placer, Surigao del Norte, DENR and MGB. Under the agreement, the Parent Company is mandated to establish and maintain a Monitoring Trust Fund and MRF amounting to, at a minimum, ₱5,150,000 recorded as environmental fund. The funds are to be used for physical and social rehabilitation, reforestation and restoration of areas and communities affected by mining activities, for pollution control, slope stabilization and integrated community development. The environmental fund to be maintained by the Group in a mutually acceptable bank is subject to annual review of the MRF committee.



MRF earn interest at the respective bank deposit rates. Total interest income amounted to ₱4,285, ₱4,458, and ₱3,461 in 2024, 2023 and 2022, respectively.

Prepaid royalties are advance payments to claim owners and real property taxes of land where the mine site operations were located and are expensed as incurred.

Miscellaneous deposits pertain to advances made to local government agencies for pending project agreements which will be offset against future billings.

Deposit receivables pertain to electric utility given to Surigao del Norte Electric Cooperative, Inc., a power supplier, in exchange for future services.

Advances to landowners pertain to advances made to certain landowners for future purchases of parcels of land. The same will be deducted from the total acquisition cost of parcels of land to be purchased in the future.

Based on the assessment done by the management, the Group recognized provision for impairment losses on input VAT amounting to ₱10,870,461, ₱41,185, and ₱66,840 in 2024, 2023 and 2022, respectively (see Note 15).

Movements in allowance for impairment losses on input VAT in 2024 and 2023 are as follows:

|                                           | 2024                | 2023         |
|-------------------------------------------|---------------------|--------------|
| Balance at beginning of year              | <b>₱100,818,273</b> | ₱100,777,088 |
| Provision for impairment losses (Note 15) | <b>10,870,461</b>   | 41,185       |
| Balance at end of year                    | <b>₱111,688,734</b> | ₱100,818,273 |

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## 12. Accounts Payable and Accrued Expenses

|                                        | 2024                | 2023         |
|----------------------------------------|---------------------|--------------|
| Trade payable                          | <b>₱117,150,767</b> | ₱125,602,699 |
| Accrued expenses and other liabilities | <b>157,211,806</b>  | 60,350,108   |
| Payable to government                  | <b>863,857</b>      | 833,470      |
| Unclaimed dividends                    | <b>573,097</b>      | 573,097      |
|                                        | <b>₱275,799,527</b> | ₱187,359,374 |

Terms and conditions of the aforementioned liabilities are as follows:

- Trade payable includes local purchases of equipment, inventories and various parts. This is non-interest bearing and normally settled demand and on 30 days' terms.
- Accrued expenses include accrued payroll which are normally payable within five to 10 days and other liabilities which are non-interest bearing and have an average term of one to three months.
- Payable to government pertains to the Group's payable to various regulatory agencies such as payables for withholding taxes, Social Security System and Home Development and Mutual Fund premiums and PhilHealth contributions.
- Unclaimed dividends pertain to unpaid cash dividends declared by the Parent Company to its stockholders.



### 13. Related Party Disclosures

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

LCMC holds a 16.4% direct and indirect equity interest in the Group. It provides cash advances and pays expenses on behalf of the Group.

DDCP, a wholly owned subsidiary of LCMC, provides various drilling services to the Group.

Shipside, Inc., a wholly owned subsidiary of LCMC, provides hauling services to the Group.

The Parent Company, in the normal course of business, enters into transactions with related parties. The consolidated statements of financial position include the following assets and liabilities resulting from the above transactions with related parties:

| Related Party                     | Relationship                   | Year | Amounts/<br>Volume | Outstanding<br>Balance  | Terms and Conditions                                                  |
|-----------------------------------|--------------------------------|------|--------------------|-------------------------|-----------------------------------------------------------------------|
| <i>Contract Deposits (Note 7)</i> |                                |      |                    |                         |                                                                       |
| DDCP                              | Affiliate under common control | 2024 | P=                 | P12,649,531             | On demand                                                             |
|                                   |                                | 2023 | P=                 | P12,649,531             | Noninterest-bearing<br>Refundable in cash<br>Unsecured, no impairment |
| <hr/>                             |                                |      |                    |                         |                                                                       |
| Related Party                     | Relationship                   | Year | Amounts/<br>Volume | Outstanding<br>Balances | Terms and Conditions                                                  |
| <i>Due from Related Party</i>     |                                |      |                    |                         |                                                                       |
| LCMC                              | Stockholder                    | 2024 | P=                 | P20,874,865             | On demand                                                             |
|                                   |                                | 2023 |                    |                         | Noninterest-bearing<br>To be settled in cash                          |
|                                   |                                |      | P=                 | P20,905,990             | Unsecured, no guarantee                                               |

Total compensation of the Group's key management personnel in 2024, 2023 and 2022, which pertains to short-term benefits, amounted to P456,950. Key management of the Group are the executive officers and directors. There were no post-employment benefits paid for the Group's key management personnel in 2024, 2023 and 2022.



#### 14. Administration and Overhead Costs

|                                          | 2024              | 2023       | 2022       |
|------------------------------------------|-------------------|------------|------------|
| Outside services                         | <b>₱2,574,162</b> | ₱1,954,816 | ₱2,677,366 |
| Depreciation (Note 9)                    | <b>2,326,905</b>  | 2,118,914  | 602,621    |
| Salaries, allowances and other benefits: |                   |            |            |
| Salaries and wages                       | <b>661,800</b>    | 794,515    | 972,060    |
| Current service costs (Note 16)          | <b>249,558</b>    | 216,777    | 581,540    |
| Other benefits                           | <b>133,510</b>    | 173,559    | 234,157    |
| Listing fees                             | <b>278,920</b>    | 352,019    | 307,565    |
| Transportation and travel                | <b>110,075</b>    | 299,915    | 75,391     |
| Communications                           | <b>99,503</b>     | 42,165     | 40,547     |
| Repairs and maintenance                  | <b>63,196</b>     | 69,361     | 81,855     |
| Taxes and licenses                       | <b>34,520</b>     | 22,060     | 30,324     |
| Representation expense                   | <b>11,824</b>     | 42,040     | 31,547     |
| Rent                                     | <b>283,584</b>    | 283,584    | 283,584    |
| Office transfer expense                  | <b>—</b>          | —          | 40,000     |
|                                          | <b>56</b>         |            |            |
| Others                                   |                   | 298,815    | 655,909    |
|                                          | <b>₱6,981,241</b> | ₱6,668,540 | ₱6,614,466 |

Outside services pertain to contracted services, audit fee and other professional services rendered to the Company.

Taxes and licenses consist of documentary stamp tax and other government charges paid by the Company to regulatory agencies.

Others comprise of miscellaneous expenses, ads publications & promo, legal expenses, accounting expenses & executive expenses.

#### 15. Other Charges - net

|                                                        | 2024               | 2023    | 2022     |
|--------------------------------------------------------|--------------------|---------|----------|
| Provision for impairment losses on input VAT (Note 11) | <b>₱10,870,461</b> | ₱41,185 | ₱66,840  |
| Unrealized foreign exchange losses (gains)             | <b>(15,439)</b>    | 2,335   | (29,321) |
| Provision for inventory obsolescence (Note 6)          | <b>—</b>           | —       | 48,394   |
| Loss on financial assets written-off (Note 7)          | <b>—</b>           | —       | 38,459   |
|                                                        | <b>₱10,855,022</b> | ₱43,520 | ₱124,372 |

Provision for impairment losses on input VAT recognized pertains to input VAT recorded that are assessed to be doubtful of its recoverability.



## 16. Retirement Benefits Obligation

The Parent Company has an unfunded defined benefit retirement plan covering substantially all regular employees. Benefits are dependent on the years of service and the respective employee's compensation. The defined retirement benefits obligation is actuarially determined using the projected unit credit method.

Under the existing regulatory framework, RA No. 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan. The amounts of retirement benefits costs recognized in the consolidated statements of comprehensive income follow:

|                                 | 2024            | 2023     | 2022       |
|---------------------------------|-----------------|----------|------------|
| Current service costs (Note 14) | <b>₱249,558</b> | ₱216,777 | ₱581,540   |
| Interest costs                  | <b>235,340</b>  | 235,540  | 748,526    |
|                                 | <b>₱484,898</b> | ₱452,317 | ₱1,330,066 |

The amount of re-measurement loss on retirement benefits liability, net of tax, recognized in OCI follow:

|                                                             | 2024            | 2023       | 2022         |
|-------------------------------------------------------------|-----------------|------------|--------------|
| Re-measurement gain (loss) on retirement benefits liability | <b>₱361,682</b> | (₱104,756) | (₱1,825,087) |
| Income tax effect                                           | <b>(90,421)</b> | 26,189     | 456,272      |
|                                                             | <b>₱271,261</b> | (₱78,567)  | (₱1,368,815) |

The table below shows the movement analysis of re-measurement gain (loss) on retirement benefits liability as at December 31, 2024 and 2023:

|                                                                   | 2024              | 2023       |
|-------------------------------------------------------------------|-------------------|------------|
| Balance at beginning of year                                      | <b>(₱153,308)</b> | (₱74,741)  |
| Re-measurement gain (loss) on retirement benefits liability - net | <b>271,261</b>    | (78,567)   |
| Balance at end of year                                            | <b>₱117,953</b>   | (₱153,308) |

The amounts of retirement benefits obligation recognized in the consolidated statements of financial position are as follows:

|                                                   | 2024              | 2023       |
|---------------------------------------------------|-------------------|------------|
| Balance at beginning of year                      | <b>₱3,902,814</b> | ₱3,345,741 |
| Current service cost (Note 14)                    | <b>249,558</b>    | 216,777    |
| Interest costs                                    | <b>235,340</b>    | 235,540    |
| Retirement benefit cost charged to profit or loss | <b>484,898</b>    | 452,317    |
| Benefits paid                                     | <b>(100,000)</b>  | -          |
| Total                                             | <b>384,898</b>    | 452,317    |

(Forward)



|                                        | 2024              | 2023       |
|----------------------------------------|-------------------|------------|
| Re-measurement loss (gain) on:         |                   |            |
| Change in financial assumptions        | <b>(P30,994)</b>  | P290,402   |
| Experience adjustment                  | <b>(330,688)</b>  | (185,646)  |
| Retirement benefit cost charged to OCI | <b>(361,682)</b>  | 104,756    |
| Balance at end of year                 | <b>P3,926,030</b> | P3,902,814 |

The principal assumptions used in determining retirement benefits obligations are as follows:

|                                               | 2024            | 2023     |
|-----------------------------------------------|-----------------|----------|
| Discount rate                                 | <b>6.14%</b>    | 6.03%    |
| Salary increase rate                          | <b>5.00%</b>    | 5.00%    |
| Expected remaining working lives of employees | <b>15 years</b> | 15 years |

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined retirement benefits obligation as at the end of the reporting period, assuming all other assumptions were held constant.

|                      | Increase<br>(decrease) | 2024              | 2023       |
|----------------------|------------------------|-------------------|------------|
| Discount rates       | 0.50%                  | <b>(P135,615)</b> | (P148,478) |
|                      | (0.50%)                | <b>144,429</b>    | 158,558    |
| Salary increase rate | 0.50%                  | <b>138,661</b>    | 152,019    |
|                      | (0.50%)                | <b>(131,439)</b>  | (143,728)  |

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31, 2024:

|                                  |                    |
|----------------------------------|--------------------|
| Less than one year               | P139,929           |
| More than one year to five years | 2,368,708          |
| More than five years to 10 years | 2,739,022          |
| More than 10 years to 15 years   | 3,252,925          |
| More than 15 years to 20 years   | 2,220,811          |
| More than 20 years               | 9,435,524          |
|                                  | <b>P20,156,919</b> |

The latest actuarial report was made as at December 31, 2024.

## 17. Income Taxes

No provision for current income tax was recognized since the Parent Company and KCGRI are in gross and net taxable loss position. A reconciliation of income tax applicable to loss before income tax at the statutory income tax rates to provision for (benefit from) income tax as shown in the consolidated statements of comprehensive income follows:



|                                                                                           | 2024         | 2023         | 2022         |
|-------------------------------------------------------------------------------------------|--------------|--------------|--------------|
| Income tax at statutory tax rate - 25%                                                    | (P4,516,517) | (P1,732,885) | (P1,840,839) |
| Additions to (reductions in) income tax resulting from:                                   |              |              |              |
| Deductible temporary differences and NOLCO for which no deferred tax asset was recognized | 4,427,056    | 1,615,909    | 5,490,536    |
| Interest income subjected to final tax                                                    | (1,383)      | (4,015)      | (31,002)     |
| Nondeductible expenses                                                                    | —            | —            | 9,615        |
| Provision for (benefit from) income tax                                                   | (P90,844)    | (P120,991)   | P3,628,310   |

The components of the net deferred tax liability as at December 31 are as follows:

|                                                             | 2024        | 2023        |
|-------------------------------------------------------------|-------------|-------------|
| Deferred tax assets:                                        |             |             |
| <i>Recognized directly in profit or loss</i>                |             |             |
| Allowance for:                                              |             |             |
| Impairment losses on property and equipment                 | P40,497,135 | P40,497,135 |
| Inventory losses                                            | 17,411,881  | 17,412,823  |
| Expected credit losses on receivables                       | 269,917     | 269,917     |
| Retirement benefits obligation                              | 1,020,825   | 678,104     |
| Unrealized foreign exchange loss                            | —           | 578         |
|                                                             | 59,199,758  | 58,858,557  |
| Deferred tax liability:                                     |             |             |
| Excess of allowable depletion over depletion per books      | 108,221,272 | 108,221,272 |
| Unrealized foreign exchange gains                           | 3,860       | —           |
|                                                             | 108,225,132 | 108,221,272 |
| <i>Recognized in other comprehensive income</i>             |             |             |
| Deferred tax asset:                                         |             |             |
| Re-measurement gain (loss) on retirement benefits liability | 39,318      | (297,598)   |
| Deferred tax liability - net                                | P49,064,692 | P49,065,115 |

Deferred tax liability is mainly provided on taxable temporary differences arising on the difference between normal depletion and allowed depletion under Presidential Decree 1353, Amending Section 30 of the Tax Code to Allow Accelerated Deduction under Certain Conditions of Exploration and Development Expenditures.



The following are the movements in the Group's NOLCO for the years ended December 31:

|                              | 2024               | 2023        |
|------------------------------|--------------------|-------------|
| Balance at beginning of year | <b>₱39,247,502</b> | ₱32,825,060 |
| Additions                    | <b>6,733,993</b>   | 6,422,442   |
| Balance at end of year       | <b>₱45,981,495</b> | ₱39,247,502 |

No deferred tax assets were recognized for the following temporary differences since management expects that it is not probable that sufficient future taxable income will be available to allow all or part of these deferred tax assets to be utilized.

|                                                                                                | 2024                | 2023         |
|------------------------------------------------------------------------------------------------|---------------------|--------------|
| Allowance for impairment losses on input VAT<br>(Note 11)                                      | <b>₱111,688,734</b> | ₱100,818,273 |
| Allowance for impairment losses on deferred mine<br>exploration and evaluation costs (Note 10) | <b>94,692,291</b>   | 94,692,291   |
| NOLCO                                                                                          | <b>45,981,495</b>   | 39,247,502   |
| Provision for expected credit losses on stock options<br>receivables (Note 5)                  | <b>9,780,000</b>    | 9,780,000    |
|                                                                                                | <b>₱262,142,520</b> | ₱244,538,068 |

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 taxable years following the year of such loss.

The Company has incurred NOLCO in taxable years 2021 and 2020 which can be claimed as deduction pursuant to the act. However, the NOLCO incurred in 2022 can only be carried over as a deduction from gross income for the next three consecutive taxable years. The extension to five years is no longer applicable, as follows:

#### Parent Company

| Year Incurred | Availment Period | Amount             | NOLCO Applied Previous Years | NOLCO Expired | NOLCO Applied Current Year | NOLCO Unapplied    |
|---------------|------------------|--------------------|------------------------------|---------------|----------------------------|--------------------|
| 2020          | 2021-2025        | ₱5,339,426         | ₱-                           | ₱-            | ₱-                         | ₱5,339,426         |
| 2021          | 2022-2026        | 5,184,456          | -                            | -             | -                          | 5,184,456          |
| 2022          | 2023-2025        | 21,718,048         | -                            | -             | -                          | 21,718,048         |
| 2023          | 2024-2026        | 6,347,361          | -                            | -             | -                          | 6,347,361          |
| 2024          | 2024-2027        | 6,648,838          | -                            | -             | -                          | 6,648,838          |
|               |                  | <b>₱45,238,129</b> | <b>₱-</b>                    | <b>₱-</b>     | <b>₱-</b>                  | <b>₱45,238,129</b> |

#### KCGRI

| Year Incurred | Availment Period | Amount          | NOLCO Applied Previous Years | NOLCO Expired | NOLCO Applied Current Year | NOLCO Unapplied |
|---------------|------------------|-----------------|------------------------------|---------------|----------------------------|-----------------|
| 2020          | 2021-2025        | ₱176,664        | ₱-                           | ₱-            | ₱-                         | ₱176,664        |
| 2021          | 2022-2026        | 229,226         | -                            | -             | -                          | 229,226         |
| 2022          | 2023-2025        | 177,240         | -                            | -             | -                          | 177,240         |
| 2023          | 2024-2026        | 75,081          | -                            | -             | -                          | 75,081          |
| 2024          | 2024-2027        | 85,155          | -                            | -             | -                          | 85,155          |
|               |                  | <b>₱743,366</b> | <b>₱-</b>                    | <b>₱-</b>     | <b>₱-</b>                  | <b>₱743,366</b> |





## 18. Equity

### Capital Stock

As at December 31, 2024 and 2023, details of the Parent Company's capital stock follow:

|                                    | 2024                   |                       | 2023                   |                       |
|------------------------------------|------------------------|-----------------------|------------------------|-----------------------|
|                                    | No. of shares          | Amount                | No. of shares          | Amount                |
| Issued and outstanding             |                        |                       |                        |                       |
| Class "A"                          | 186,639,162,002        | ₱1,866,391,620        | 186,639,162,002        | ₱1,866,391,620        |
| Class "B"                          | 124,334,239,342        | 1,243,342,393         | 124,334,239,342        | 1,243,342,393         |
|                                    | <b>310,973,401,344</b> | <b>3,109,734,013</b>  | <b>310,973,401,344</b> | <b>3,109,734,013</b>  |
| Subscribed                         |                        |                       |                        |                       |
| Class "A"                          | 316,141,644            | 3,161,416             | 316,141,644            | 3,161,416             |
| Class "B"                          | 214,603,455            | 2,146,035             | 214,603,455            | 2,146,035             |
|                                    | <b>530,745,099</b>     | <b>5,307,451</b>      | <b>530,745,099</b>     | <b>5,307,451</b>      |
| Total shares issued and subscribed | <b>311,504,146,443</b> | <b>3,115,041,464</b>  | <b>311,504,146,443</b> | <b>3,115,041,464</b>  |
| Less subscriptions receivable      | —                      | 365,632               | —                      | 365,632               |
|                                    | <b>311,504,146,443</b> | <b>₱3,114,675,832</b> | <b>311,504,146,443</b> | <b>₱3,114,675,832</b> |

In April 2010, the Parent Company offered to its shareholders as of record date of March 10, 2010, the right to subscribe to one share for every eight shares held, at an offer price of ₱0.015 per share, covering 22,375,540,151 common shares consisting of 13,429,141,954 Class "A" shares and 8,946,398,197 Class "B" shares. Total capital stock issued and subscribed from the stock rights offering amounted to ₱330,659,280, net of transaction costs. Proceeds from the issuance of stock rights were used to settle debts and fund exploration projects.

On June 8, 2010, the SEC approved the increase in authorized capital stock to 260 billion shares at par value of ₱0.01 per share divided into 156 billion Class "A" and 104 billion Class "B" shares.

On April 30, 2014, the PSE BOD approved the application covering the Offer Shares of 56,926,927,347 at an offer price of ₱0.012 per share, raising a total of ₱683,123,128. The offer period was from June 16, 2014 to June 20, 2014.

Proceeds from the issuance of stock rights were used to fund the drilling program for the period 2014 to 2015, settlement of debts to suppliers, service providers, and to fund the Parent Company's working capital.

Only Philippine nationals are qualified to acquire, own or hold Class "A" common shares of stock of the Parent Company. The total number of Class "B" common shares of stock subscribed, issued or outstanding at any given time shall in no case exceed two-thirds of the number of Class "A" common shares of stock or 40% of the aggregate number of Class "A" and Class "B" common shares of stock then subscribed, issued or outstanding. Each common share entitles the holder to one vote, enjoys full dividend and pre-emptive rights.

At the annual stockholders' meeting on August 17, 2021, the stockholders approved the Board of Directors' recommendation to increase the Parent Company's authorized capital stock from ₱2.6 billion to ₱4.6 billion. After the said stockholders' meeting, the Board of Directors approved an offer to shareholders of 1 share for every 5 shares held at ₱0.01 per share to support the increase in the Parent Company's authorized capital stock to ₱4.6 billion. The proceeds of the offer, amounting to ₱519 million, will be utilized to fund the Parent Company's exploration program, administration costs, and settle trade payables and accruals. The Offer Period will be from May 16-20, 2022.



At the regular board meeting on November 10, 2022, the Senior Vice President and Treasurer advised that the Company successfully completed its 1:5 stock rights offering (SRO) and the same was fully subscribed. Accordingly, the cash assets of the Company increased significantly; payables decreased significantly as well as some accounts were settled out of the SRO proceeds. As of December 31, 2023, the Company was able to collect ₱154,355,954 from these proceeds.

The transaction costs incurred from the Parent Company's issuance of its own equity instruments includes registration and other regulatory fees. In 2023, issuance costs amounting to ₱199,340 was netted against APIC as a cost of stock issued.

The Parent Company has 4,127, 4,131, and 4,133 stockholders as at December 31, 2024, 2023 and 2022, respectively.

#### Equity Reserve

On May 11, 2011, the Parent Company, KCGRI and Philex entered into a Farm-in agreement (Agreement) for the exploration and joint development of the Kalayaan Project located in Placer, Surigao del Norte. The pre-feasibility study of the project may be completed by Philex within the three year earn-in period.

Pursuant to the agreement, the Parent Company sold to Philex a total of 125,000 shares of stock of KCGRI, representing a 5% interest in KCGRI, for a consideration of US\$25 million. Philex shall earn an additional 55% interest in KCGRI by sole-funding all pre-development expenses including a final feasibility study for the Project.

The sale brought down the total number of shares owned and controlled by the Parent Company as at December 31, 2011 to 95%. The net proceeds were accounted for as an equity transaction and resulted in an increase in equity amounting to ₱954,621,275 recognized as "Equity reserve" in the equity section of the consolidated statements of financial position.

#### NCI

NCI represents 5% interest of Philex in KCGRI.

The summarized financial information of the Subsidiary before intercompany eliminations is provided below:

Statements of comprehensive income as of December 31:

|                                   | 2024      | 2023      | 2022       |
|-----------------------------------|-----------|-----------|------------|
| Administration and overhead costs | (₱85,155) | (₱75,081) | (₱177,240) |
| Other income (charges)            | 98        | 409       | 1,011      |
| Net loss                          | (85,057)  | (74,672)  | (176,229)  |
| Other comprehensive income        | —         | —         | —          |
| Total comprehensive loss          | (₱85,057) | (₱74,672) | (₱176,229) |
| Attributable to NCI               | ₱4,253    | ₱3,734    | ₱8,811     |



Statements of financial position as at December 31:

|                                      | 2024              | 2023       |
|--------------------------------------|-------------------|------------|
| Current assets                       | <b>₱3,154,744</b> | ₱3,269,801 |
| Current liabilities                  | <b>(75,000)</b>   | (105,000)  |
| Total equity                         | <b>₱3,079,744</b> | ₱3,164,801 |
| Attributable to:                     | 2024              | 2023       |
| Equity holders of the Parent Company | <b>₱2,925,757</b> | ₱3,006,561 |
| NCI                                  | <b>153,987</b>    | 158,240    |

The Group did not opt to present the statements of cash flows for the years ended December 31, 2024 and 2023 since it is deemed immaterial relative to the consolidated financial statements.

To meet the DENR-mandated (DENR Memorandum Order No. 2013-1) minimum capitalization requirement of Authorized Capital Stock (ACS) and Paid-up-Capital amounting to ₱100,000,000 and ₱6,250,000, respectively, the KCGRI BOD approved on February 12, 2018 an increase in the ACS to ₱100,000,000. Philex and the Parent Company subscribed to additional capital and paid as follows:

|             | Increase (by ₱90,000,000) |                   | Total after Increase |                   |
|-------------|---------------------------|-------------------|----------------------|-------------------|
| Shareholder | Amount<br>Subscribed      | Amount<br>Paid-up | Amount<br>Subscribed | Amount<br>Paid-Up |
| MMC (95%)   | ₱21,375,000               | ₱5,343,750        | ₱23,750,000          | ₱7,718,750        |
| Philex (5%) | 1,125,000                 | 281,250           | 1,250,000            | 406,250           |
|             | <b>₱22,500,000</b>        | <b>₱5,625,000</b> | <b>₱25,000,000</b>   | <b>₱8,125,000</b> |

The application for such increase and amendment of Articles of Incorporation was filed with the SEC on March 9, 2018 and was properly certified and approved on September 7, 2018.

The additional paid-up capital by Philex resulted to the increase in NCI amounting to ₱281,250.

The Group has no potential dilutive shares as at December 31, 2024, 2023, and 2022.

## 19. Income (Loss) Per Share

Basic income (loss) per share is calculated by dividing the loss attributable to equity holders of the Parent Company by the weighted average number of common shares in issue during the period.

There were no outstanding stock options as of December 31, 2024, 2023 and 2022.

|                                                                               | 2024                   | 2023            | 2022            |
|-------------------------------------------------------------------------------|------------------------|-----------------|-----------------|
| Net income (loss) attributable to equity holders of the Parent Company        | <b>(₱17,970,971)</b>   | (₱6,806,816)    | (₱10,982,857)   |
| Weighted average number of common shares for basic and diluted loss per share | <b>310,973,401,344</b> | 310,973,401,344 | 267,684,492,271 |
| Basic and diluted income (loss) per share                                     | <b>(₱0.00006)</b>      | (₱0.00002)      | (₱0.00004)      |



## 20. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and accounts payable and accrued expenses. The main purpose of the financial instruments is to fund the Group's operations. The Group has other financial instruments such as receivables, financial assets designated at FVOCI and nontrade payables which arise directly from operations. The main risks arising from the use of financial instruments are credit risk, market risk and liquidity risk.

The Group's BOD reviews and approves the policies for managing each of these risks and they are summarized below.

### Credit Risk

Credit risk represents the loss that the Group would incur if a counterparty failed to perform its contractual obligations. The Group trades only with recognized and creditworthy third parties. It is the Group's policy that all credit is subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

The credit risk arising from these financial assets arises from default of the counterparty, with maximum exposure equal to the carrying amount of these instruments. The Group's gross maximum exposure to credit risk is equivalent to the carrying values since there are no collateral agreement on these financial assets.

The table below shows the gross maximum exposure to credit risk without consideration to collateral or other credit enhancements for the components of the consolidated statements of financial position as at December 31, 2024 and 2023.

|                          | 2024               | 2023        |
|--------------------------|--------------------|-------------|
| Cash in banks            | <b>₱3,493,151</b>  | ₱15,671,117 |
| Stock options receivable | <b>9,780,000</b>   | 9,780,000   |
| Nontrade receivables     | <b>21,568,486</b>  | 22,065,545  |
| Contract deposits        | <b>12,649,531</b>  | 13,003,192  |
| MRF                      | <b>5,213,619</b>   | 5,207,582   |
|                          | <b>₱52,704,787</b> | ₱65,727,436 |

The tables below summarize the aging analysis of the Group's financial assets as at December 31, 2024 and 2023:

|                          | 2024               |         |                    |                     |                    |
|--------------------------|--------------------|---------|--------------------|---------------------|--------------------|
|                          | General Approach   |         | Stage 3            | Simplified Approach | Total              |
|                          | Stage 1            | Stage 2 |                    |                     |                    |
| Cash in banks            | <b>₱3,493,151</b>  | —       | —                  | —                   | <b>₱3,493,151</b>  |
| Stock options receivable | —                  | —       | <b>9,780,000</b>   | —                   | <b>9,780,000</b>   |
| Nontrade receivables     | <b>20,488,820</b>  | —       | <b>1,079,666</b>   | —                   | <b>21,568,486</b>  |
| Contract deposits        | <b>12,649,531</b>  | —       | —                  | —                   | <b>12,649,531</b>  |
| MRF                      | <b>5,213,619</b>   | —       | —                  | —                   | <b>5,213,619</b>   |
|                          | <b>₱41,845,121</b> | —       | <b>₱10,859,666</b> | —                   | <b>₱52,704,787</b> |



|                          | 2023             |         |             |                     |             |
|--------------------------|------------------|---------|-------------|---------------------|-------------|
|                          | General Approach |         |             | Simplified Approach | Total       |
|                          | Stage 1          | Stage 2 | Stage 3     |                     |             |
| Cash in banks            | ₱15,671,117      | —       | —           | —                   | ₱15,671,117 |
| Stock options receivable | —                | —       | 9,780,000   | —                   | 9,780,000   |
| Nontrade receivables     | 20,985,879       | —       | 1,079,666   | —                   | 22,065,545  |
| Contract deposits        | 13,003,192       | —       | —           | —                   | 13,003,192  |
| MRF                      | 5,207,582        | —       | —           | —                   | 5,207,582   |
|                          | ₱54,867,770      | —       | ₱10,859,666 | —                   | ₱65,727,436 |

### General Approach

The credit risk of financial assets under the general approach are determined to be under Stage 1. Individually impaired that were specifically determined by the Company is under Stage 3 and is fully provided with ECL.

There are no significant concentrations of credit risk within the Group.

### Market Risk

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchanges rates, commodity prices, equity prices and other market changes. The Group's market risk originates from its holdings of equity instruments.

### Equity Price Risk

Equity price risk is the risk that the fair values of equity securities will fluctuate because of changes in the level of indices and the value of individual stocks. The Group is exposed to equity securities price risk because of investments held by the Group, which are classified in the consolidated statements of financial position as financial assets designated at FVOCI as at December 31, 2024 and 2023. The Group's exposure to equity price risk relates primarily to its financial assets designated at FVOCI in LCMC.

The Group's policy is to maintain the risk to an acceptable level. Movement of share price is monitored regularly to determine its impact on the consolidated statements of financial position.

The effect on equity (as a result of change in fair value of equity instruments held as financial assets designated at FVOCI as at December 31, 2024 and 2023, respectively) due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

|      | Market Index | Change in Variables | Effect on Equity Increase (Decrease) |
|------|--------------|---------------------|--------------------------------------|
| 2024 | PSEi         | 3.43%               | ₱82,350                              |
|      |              | -3.43%              | (82,350)                             |
| 2023 | PSEi         | 1.68%               | ₱58,024                              |
|      |              | -1.68%              | (58,024)                             |



### Liquidity Risk

Liquidity risk arises when there is a shortage of funds and the Group, as a consequence, could not meet its maturing obligations. The Group seeks to manage its liquid funds through cash planning on a monthly basis. The Group uses historical figures and experiences and forecasts from its collection and disbursement.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of advances from related parties. 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 capital inflows to match repayments of short-term debt. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities, in case any requirements arise. Fund raising activities may include bank loans and capital market issues. Accordingly, its loan maturity profile is regularly reviewed to ensure availability of funding through an adequate amount of credit facilities with financial institutions. Also, the Group only places funds in money markets which are exceeding the Group's requirements. Placements are strictly made based on cash planning assumptions and covers only a short period of time.

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

| <b>2024</b>                               | <b>On<br/>demand</b> | <b>Less than<br/>3 months</b> | <b>Total</b>        |
|-------------------------------------------|----------------------|-------------------------------|---------------------|
| <b>Financial Liabilities</b>              |                      |                               |                     |
| Accounts payable and<br>accrued expenses* | ₱117,150,767         | ₱157,211,806                  | ₱274,362,573        |
| Unclaimed dividends                       | 573,097              | —                             | 573,097             |
| <b>Total</b>                              | <b>117,723,864</b>   | <b>157,211,806</b>            | <b>274,935,670</b>  |
| <b>Financial Assets</b>                   |                      |                               |                     |
| Cash                                      | 3,738,671            | —                             | 3,738,671           |
| Stock options receivable                  | 9,780,000            | —                             | 9,780,000           |
| Nontrade receivables                      | 21,568,486           | —                             | 21,568,486          |
| Contract deposits                         | 13,003,192           | —                             | 13,003,192          |
| Financial assets designated<br>at FVOCI   | 7,333,851            | —                             | 7,333,851           |
| <b>Total</b>                              | <b>55,424,200</b>    | <b>—</b>                      | <b>55,424,200</b>   |
| <b>Net Financial Liabilities</b>          | <b>₱62,299,664</b>   | <b>₱157,211,806</b>           | <b>₱219,511,470</b> |

\*excluding statutory payables

| <b>2023</b>                               | <b>On<br/>demand</b> | <b>Less than<br/>3 months</b> | <b>Total</b>       |
|-------------------------------------------|----------------------|-------------------------------|--------------------|
| <b>Financial Liabilities</b>              |                      |                               |                    |
| Accounts payable and<br>accrued expenses* | ₱125,602,699         | ₱60,350,108                   | ₱185,952,807       |
| Unclaimed dividends                       | 573,097              | —                             | 573,097            |
| <b>Total</b>                              | <b>126,175,796</b>   | <b>60,350,108</b>             | <b>186,525,904</b> |

(Forward)



| 2023                                 | On demand   | Less than 3 months | Total        |
|--------------------------------------|-------------|--------------------|--------------|
| Financial Assets                     |             |                    |              |
| Cash                                 | ₱16,537,336 | ₱—                 | ₱16,537,336  |
| Stock options receivable             | 9,780,000   | —                  | 9,780,000    |
| Nontrade receivables                 | 22,065,545  | —                  | 22,065,545   |
| Contract deposits                    | 13,003,192  | —                  | 13,003,192   |
| Financial assets designated at FVOCI | 8,345,854   | —                  | 8,345,854    |
| Total                                | 69,731,927  | —                  | 69,731,927   |
| Net Financial Assets                 | ₱56,443,869 | ₱60,350,108        | ₱116,793,977 |

*\*excluding statutory payables*

### Fair Values

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

#### *Cash, Receivables, Accounts Payable and Accrued Expenses*

The carrying amounts of cash, receivables, accounts payable and accrued expenses, which are all subject to normal trade credit terms and are short-term in nature, approximate their fair values.

#### *Financial assets designated at FVOCI*

Fair values of investments are estimated by reference to their quoted market price at the reporting date. The fair value of the Group's unquoted equity securities is determined using market approach. As at December 31, 2024, the Group's quoted and unquoted equity securities fair value is at Level 1 and Level 3, respectively.

There were no transfers between Level 1 and Level 3 fair value measurements, and no transfers into and out of Level 2 fair value measurements as at December 31, 2024 and 2023, respectively.

There were no purchases, sales, issues and settlements of Level 3 financial assets designated at FVOCI in 2024 and 2023, respectively.

## **21. Capital Management**

The primary objective of the Group's capital management is to ensure that the Group has sufficient funds in order to support their business, pay existing obligations and maximize shareholder value.

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 obtain additional advances from stockholders or issue new shares. No changes were made in the objectives, policies or processes in 2024. The Group has complied with all externally imposed capital requirements in 2024 and 2022.

As at December 31, 2024 and 2023, the Group's capital is composed of the following:

|               | 2024            | 2023            |
|---------------|-----------------|-----------------|
| Capital stock | ₱3,114,675,832  | ₱3,114,675,832  |
| APIC          | 608,234,879     | 608,234,879     |
| Deficit       | (1,238,674,120) | (1,220,703,149) |
|               | ₱2,484,236,591  | ₱2,502,207,562  |



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## 22. Segment Reporting

As discussed in Note 1, the Parent Company and its 95%-owned subsidiary is engaged in the business of mine exploration. Accordingly, the Group operates mainly in one reportable business and geographical segment which is the Philippines. No entity-wide disclosures pertaining to revenues are provided as the Group has not earned revenue. Noncurrent assets of the Group are located in the Philippines.

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## 23. Supplementary Disclosures to the Consolidated Statements of Cash Flows

The non-cash investing activities arising from the capitalization of depreciation amounted to ₱5,556,129, ₱5,245,850, and ₱5,548,467 in 2024, 2023 and 2022, respectively.

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## 24. Other Matters

- a) The Parent Company is either a defendant or co-defendant in certain civil and administrative cases which are now pending before the courts and other governmental bodies. In the opinion of management and the Parent Company's legal counsel, any adverse decision on these cases would not materially affect the consolidated statements of financial position and consolidated statements of comprehensive income as at and for the years ended December 31, 2024 and 2023.
- b) On July 12, 2012, EO No. 79 was released to lay out the framework for the implementation of mining reforms in the Philippines. The policy highlights several issues that includes area of coverage of mining, small-scale mining, creation of a council, transparency and accountability and reconciling the roles of the national government and local government units. Management believes that EO 79 has no major impact on its current operations since the mine is covered by an existing MPSA with the government. Section 1 of EO No. 79, provides that mining contracts approved before the effectivity of the EO shall continue to be valid, binding, and enforceable so long as they strictly comply with existing laws, rules and regulations and the terms and conditions of their grant.

As stated above, the Philippine President issued EO 130 lifting the moratorium on mineral agreements on April 14, 2021.

- c) Under the share-based plan, the Parent Company's officers and employees and those of its subsidiary may be granted options to purchase shares of stock of the Parent Company. The aggregate number of shares to be granted under the plan should not exceed five percent of the total number of shares of the Parent Company's outstanding capital stock.

An individual may be granted an option to purchase not more than five percent of the total number of shares set aside at the date of the grant and may exercise the option up to a maximum of twenty percent 20% of the total number of option shares granted per year. Options are valid for five years and are exercisable from the date of the approval of the grant by the SEC.

On November 10, 2009, the BOD approved the grant of the 8th Stock Option Awards (Awards) to selected employees, directors and officers of the Group in accordance with the board-approved Revised Stock Option Plan ("RSOP"). The Awards cover a total of 1,600,000,000 common shares consisting of 960,000,000 class "A" and 640,000,000 class "B" shares from the Parent Company's unissued capital stock, exercisable at the price of ₱0.02 per share, within 5 years from the date of SEC approval of the same. The option price of ₱0.02 per share was computed based on a new





formula in the RSOP, that is, “the amount equivalent to 80% of the average closing price of the stock for the 10 trading days immediately preceding the date of the approval of the Grant by the BOD as determined from quotations in the PSE.

The SEC approved the Awards and the RSOP on July 9, 2010; the pertinent listing application was approved by the PSE on October 20, 2010. The stock options expired on July 8, 2015.

On November 15, 2022, the Company’s Stock Option Committee, as authorized by the Board of Directors and in accordance with the Revised Stock Option Plan, approved the Ninth Stock Option Awards (“Award”) to selected directors, officers and employees of the Company and of its affiliates, covering a total 3.6 billion common shares from unissued capital stock. The option is exercisable within 5 years, to the extent of 20% of the Award every year, from the SEC approval of the Award. The price of the option is P0.01 per share, or the par value. The Award constitutes 1.16%, more or less, of the outstanding capital stock of the Company. However, the Award is still awaiting PSE approval.

There were no share-based payments made in 2024, 2023 and 2022, respectively.



## **INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors  
Manila Mining Corporation  
20th Floor, Lepanto Building  
8747 Paseo de Roxas, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Manila Mining Corporation and Subsidiary (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 April 29, 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 Consolidated Financial Statements and 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 information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

  
Eleanore A. Layug

Partner

CPA Certificate No. 0100794

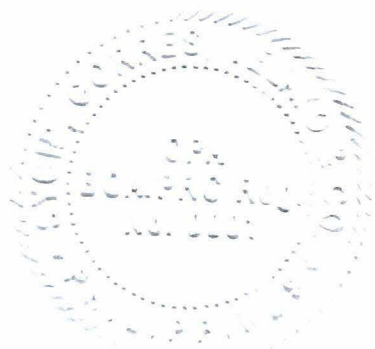
Tax Identification No. 163-069-453

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

BIR Accreditation No. 08-001998-097-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10465317, January 2, 2025, Makati City

April 29, 2025



## **INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

The Stockholders and the Board of Directors  
Manila Mining Corporation  
20th Floor, Lepanto Building  
8747 Paseo de Roxas, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Manila Corporation and Subsidiary (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 April 29, 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 of 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 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.**

  
Eleanore A. Layug

Partner

CPA Certificate No. 0100794

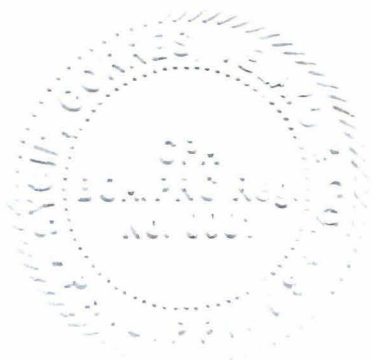
Tax Identification No. 163-069-453

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

BIR Accreditation No. 08-001998-097-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10465317, January 2, 2025, Makati City

April 29, 2025



**INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND  
SUPPLEMENTARY SCHEDULES  
DECEMBER 31, 2024**

**MANILA MINING CORPORATION AND SUBSIDIARY**  
20th Floor, Lepanto Building, Paseo de Roxas, Makati City

**Financial Statements:**

- Statements of Management's Responsibility
- Independent Auditor's Report
- Consolidated Statements of Financial Position
- Consolidated Statements of Comprehensive Income
- Consolidated Statements of Changes in Equity
- Consolidated Statements of Cash Flows
- Notes to Consolidated Financial Statements

**Supplementary Schedules:**

- Independent Auditors' Report on Supplementary Schedules
- Schedule I: Reconciliation of Retained Earnings Available for Dividend Declaration
- Schedule II: Schedule of Financial Soundness Indicators
- Schedule III: Map of the Relationships of the Companies Within the Group
- Schedule IV: Supplementary Schedules under 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 Consolidation of Financial Statements
  - Schedule D: Long-term Debt
  - Schedule E: Indebtedness to Related Parties (Long-Term Loans from Related Companies)
  - Schedule F: Guarantees of Securities of Other Issuers
  - Schedule G: Capital Stock

## SCHEDULE I

### RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

As of December 31, 2024

#### MANILA MINING CORPORATION AND SUBSIDIARY

20th Floor, Lepanto Building, Paseo de Roxas, Makati City

|                                                                                                                                                                   |   |                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|-----------------------|
| <b>Unappropriated Retained Earnings, beginning of reporting period</b>                                                                                            |   | <b>(₱173,885,545)</b> |
| <b>Add: Category A: 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: Category B: Items that are directly debited to Unappropriated Retained Earnings</b>                                                                      |   |                       |
| Dividend declaration during the reporting period                                                                                                                  | — |                       |
| Retained Earnings appropriated during the reporting period                                                                                                        | — |                       |
| Effect of restatements or prior-period adjustments                                                                                                                | — |                       |
| Others (describe nature)                                                                                                                                          | — | —                     |
|                                                                                                                                                                   |   |                       |
| <b>Unappropriated Retained Earnings, as adjusted</b>                                                                                                              |   | <b>(173,885,545)</b>  |
| <b>Add/Less: Net Income (Loss) for the current year</b>                                                                                                           |   | <b>(18,139,209)</b>   |
|                                                                                                                                                                   |   |                       |
| <b>Less: Category C.1: 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                                                                          | — |                       |
| 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)                 | — |                       |
| Sub-total                                                                                                                                                         |   | —                     |
|                                                                                                                                                                   |   |                       |
| <b>Add: Category C.2: 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                                                                            | — |                       |
| Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)                                       | — |                       |

(Forward)

|                                                                                                                                                                                                                                                                        |         |                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------------------|
| Realized fair value gain of Investment Property                                                                                                                                                                                                                        | P=      |                       |
| Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)                                                                                                                        |         | —                     |
| Sub-total                                                                                                                                                                                                                                                              |         | —                     |
| <b>Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)</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)                                                                                     |         | —                     |
| Sub-total                                                                                                                                                                                                                                                              |         | —                     |
| <b>Adjusted Net Income/Loss</b>                                                                                                                                                                                                                                        |         | <b>(18,139,209)</b>   |
| <b>Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)</b>                                                                                                                                                        |         |                       |
| Depreciation on revaluation increment (after tax)                                                                                                                                                                                                                      |         | —                     |
| Sub-total                                                                                                                                                                                                                                                              |         | —                     |
| <b>Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP (see Footnote 3)</b>                                                                                                                                                                 |         |                       |
| Amortization of the effect of reporting relief                                                                                                                                                                                                                         |         | —                     |
| Total amount of reporting relief granted during the year                                                                                                                                                                                                               |         | —                     |
| Others (describe nature)                                                                                                                                                                                                                                               |         | —                     |
| Sub-total                                                                                                                                                                                                                                                              |         | —                     |
| <b>Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution</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                                                                                                                                                               | 337,337 |                       |
| 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 |         | —                     |
| Adjustment due to deviation from PFRS/GAAP - gain (loss)                                                                                                                                                                                                               |         | —                     |
| Others (describe nature)                                                                                                                                                                                                                                               |         | —                     |
| Sub-total                                                                                                                                                                                                                                                              |         | 337,337               |
| <b>Total Retained Earnings, end of the reporting period available for dividend</b>                                                                                                                                                                                     |         | <b>(P191,687,417)</b> |

## SCHEDULE II

### SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

#### MANILA MINING CORPORATION AND SUBSIDIARY

As of December 31, 2024

| Ratio                        | Formula                                                                                                                                     | 2024          | 2023          |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Current ratio                | Total Current Assets divided by<br>Total Current Liabilities                                                                                | 0.26:1        | 0.41:1        |
| Acid test ratio              | Quick assets ( <i>Total Current Assets less Inventories and Prepayments and Other Current Assets</i> ) divided by Total Current Liabilities | 0.09:1        | 0.20:1        |
| Solvency ratio               | Net income plus Noncash expenses divided by<br>Short term liabilities plus Long term liabilities                                            | (0.01):1      | (0.02):1      |
| Debt to equity ratio         | Total Liabilities divided by<br>Total Shareholder's Equity                                                                                  | 0.10:1        | 0.07:1        |
| Asset to equity ratio        | Total Assets divided by<br>Total Shareholder's Equity                                                                                       | 1.10:1        | 1.07:1        |
| Interest rate coverage ratio | Earnings before interest and taxes (EBIT)<br>divided by Interest expense                                                                    | (75.79):1     | (28.43):1     |
| Return on equity             | Net Income (Loss) divided by<br>Average Shareholder's Equity                                                                                | -0.531%       | -0.205%       |
| Return on assets             | Net Income (Loss) divided by<br>Average Total Assets                                                                                        | -0.490%       | -0.192%       |
| Net profit margin            | Net Income (Loss) divided by Revenue                                                                                                        | 0%            | 0%            |
| Operating profit margin      | Gross Profit (Loss) divided by Revenue                                                                                                      | 0%            | 0%            |
| Average Total Assets         | (Beginning total assets plus ending total assets)<br>divided by 2                                                                           | 3,670,443,152 | 3,538,865,352 |
| Average Shareholder's Equity | (Beginning total shareholder's equity plus<br>ending total shareholder's equity) divided by 2                                               | 3,385,881,840 | 3,322,737,384 |

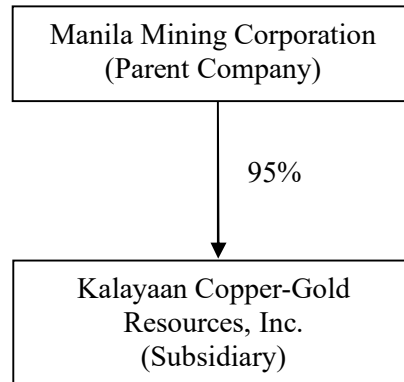
### **SCHEDULE III**

#### **MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP**

As of December 31, 2024

#### **MANILA MINING CORPORATION AND SUBSIDIARY**

20th Floor, Lepanto Building, Paseo de Roxas, Makati City





**SCHEDULE IV**  
**SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J**  
As of December 31, 2024

**MANILA MINING CORPORATION AND SUBSIDIARY**  
20th Floor, Lepanto Building, Paseo de Roxas, Makati City

**SCHEDULE A: Financial Assets**

| Name of issuing entity and association of each issue | Number of shares or principal<br>amount of bonds and notes | Amount shown in the<br>Statement of Financial Position | Income received and accrued |
|------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------|-----------------------------|
| Financial Assets Designated at FVOCI:                |                                                            |                                                        |                             |
| Lepanto Consolidated Mining Corporation              | 77,846,363                                                 | ₱5,215,706                                             | ₱—                          |
| Manila Peninsula Hotel, Inc.                         | 750,000                                                    | 2,118,145                                              | —                           |
| Total                                                | 78,596,363                                                 | ₱7,333,851                                             | ₱—                          |

**MANILA MINING CORPORATION AND SUBSIDIARY**  
20th Floor, Lepanto Building, Paseo de Roxas, Makati City

| Name and designation of debtor    | Balance at beginning of period | Additions | Amounts collected | Amounts written off | Current | Not current | Balance at end of period |
|-----------------------------------|--------------------------------|-----------|-------------------|---------------------|---------|-------------|--------------------------|
| Directors, Officers and Employees | P—                             | P—        | P—                | P—                  | P—      | P—          | P—                       |

**SCHEDULE IV**  
**SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J**  
As of December 31, 2024

**MANILA MINING CORPORATION AND SUBSIDIARY**  
20th Floor, Lepanto Building, Paseo de Roxas, Makati City

**SCHEDULE C: Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements**

| Name and designation of debtor          | Balance at<br>beginning of period | Additions      | Amounts<br>collected | Amounts<br>written off | Current   | Not current | Balance at<br>end of period |
|-----------------------------------------|-----------------------------------|----------------|----------------------|------------------------|-----------|-------------|-----------------------------|
| Kalayaan Copper-Gold Resources,<br>Inc. | <b>₱2,728,014</b>                 | <b>₱43,830</b> | <b>₱—</b>            | <b>₱—</b>              | <b>₱—</b> | <b>₱—</b>   | <b>₱2,771,844</b>           |

**SCHEDULE IV**  
**SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J**  
As of December 31, 2024

**MANILA MINING CORPORATION AND SUBSIDIARY**  
20th Floor, Lepanto Building, Paseo de Roxas, Makati City

**SCHEDULE D: Long-Term Debt**

| Title of issue and type of obligation | Amount authorized by<br>indenture | Amount shown under caption<br>“Current Portion of Long-Term Debt” in<br>related Statement of Financial Position | Amount shown under caption<br>“Long-Term Debt” in related<br>Statement of Financial Position |
|---------------------------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
|---------------------------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|

|                       |
|-----------------------|
| <b>NOT APPLICABLE</b> |
|-----------------------|

**SCHEDULE IV**  
**SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J**  
As of December 31, 2024

**MANILA MINING CORPORATION AND SUBSIDIARY**  
20th Floor, Lepanto Building, Paseo de Roxas, Makati City

**SCHEDULE E: Indebtedness to Related Parties (Long-Term Loans from Related Companies)**

| <u>Name of related party</u> | <u>Balance at beginning of period</u> | <u>Balance at end of period</u> |
|------------------------------|---------------------------------------|---------------------------------|
|------------------------------|---------------------------------------|---------------------------------|

|                       |
|-----------------------|
| <b>NOT APPLICABLE</b> |
|-----------------------|

**SCHEDULE IV**  
**SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J**  
As of December 31, 2024

**MANILA MINING CORPORATION AND SUBSIDIARY**  
20th Floor, Lepanto Building, Paseo de Roxas, Makati City

**SCHEDULE F: Guarantees of Securities of Other Issuers**

| Name of issuing entity of securities<br>guaranteed by the company for<br>which this statement is filed | Title of issue of each<br>class of securities<br>guaranteed | Total amount guaranteed<br>and outstanding | Amount owned by a person<br>for which statement is filed | Nature of guarantee |
|--------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------|----------------------------------------------------------|---------------------|
|--------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------|----------------------------------------------------------|---------------------|

|                       |
|-----------------------|
| <b>NOT APPLICABLE</b> |
|-----------------------|

**SCHEDULE IV**  
**SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J**  
As of December 31, 2024

**MANILA MINING CORPORATION AND SUBSIDIARY**  
20th Floor, Lepanto Building, Paseo de Roxas, Makati City

**SCHEDULE G: Capital Stock**

| Title of issue | Number of shares<br>authorized | Number of shares<br>issued and outstanding<br>as shown under related<br>Statement of Financial<br>Position caption | Number of shares<br>reserved for options,<br>warrants, conversions<br>and other rights | Number of shares<br>held by related parties | Directors, officers<br>and employees | Others          |
|----------------|--------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------|-----------------|
| Common Stock   |                                |                                                                                                                    |                                                                                        |                                             |                                      |                 |
| Class "A"      | 276,000,000,000                | 186,955,303,646                                                                                                    | —                                                                                      | 28,918,881,393                              | 3,880,839,682                        | 154,155,582,571 |
| Class "B"      | 184,000,000,000                | 124,548,842,797                                                                                                    | —                                                                                      | 23,153,296,414                              | 2,605,365,621                        | 98,790,180,762  |

**MANILA MINING CORPORATION AND SUBSIDIARY**  
**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR**  
**FEE-RELATED INFORMATION**

December 31, 2024

|                                                                          | 2024            | 2023            |
|--------------------------------------------------------------------------|-----------------|-----------------|
| <b>Total Audit Fees (Section 2.1a)</b>                                   | <b>₱590,000</b> | <b>₱570,000</b> |
| Non-audit service fees:                                                  |                 |                 |
| Other assurance services                                                 | ₱—              | ₱—              |
| Tax services                                                             | —               | —               |
| All other services                                                       | —               | —               |
| <b>Total Non-audit Fees (Section 2.1b)</b>                               | <b>₱—</b>       | <b>₱—</b>       |
| <b>Total Audit and Non-audit Fees</b>                                    | <b>₱590,000</b> | <b>₱570,000</b> |
| <b>Audit and Non-audit Fees of other related entities (Section 2.1c)</b> |                 |                 |
|                                                                          | 2024            | 2023            |
| Audit Fees                                                               | ₱—              | ₱—              |
| Non-audit service fees:                                                  |                 |                 |
| Other assurance services                                                 | —               | —               |
| Tax services                                                             | —               | —               |
| All other services                                                       | —               | —               |
| <b>Total Audit and Non-audit Fees of other related entities</b>          | <b>₱—</b>       | <b>₱—</b>       |





Reference No : 462500065376508  
Date Filed : April 15, 2025 11:41 AM  
Batch Number : 0



Republic of the Philippines  
Department of Finance  
Bureau of Internal Revenue

For BIR Use Only: BCS/Item:

|                                                                                                                                                                                                                                                                                                                                                                                                 |                    |                                                                                                                                                                                                                                                                                                                      |                   |                                                                                                             |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------------------------------------------------------------------------------------------|--|
| BIR Form No.<br><b>1702-RT</b><br>January 2018(ENCS)<br>Page 1                                                                                                                                                                                                                                                                                                                                  |                    | <b>Annual Income Tax Return</b><br>For Corporation, Partnership and Other Non-Individual<br>Taxpayer Subject Only to REGULAR Income Tax Rate<br><i>Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X".<br/>Two Copies MUST be filed with the BIR and one held by the taxpayer.</i> |                   | <br>1702-RT 01/18ENCS P1 |  |
| 1 For <input checked="" type="radio"/> Calendar <input type="radio"/> Fiscal                                                                                                                                                                                                                                                                                                                    |                    | 3 Amended Return? <input type="radio"/> Yes <input checked="" type="radio"/> No                                                                                                                                                                                                                                      |                   | 4 Short Period Return? <input type="radio"/> Yes <input checked="" type="radio"/> No                        |  |
| 2 Year Ended (MM/20YY)<br>12/2024                                                                                                                                                                                                                                                                                                                                                               |                    | 5 Alphanumeric Tax Code (ATC)<br>IC055 Minimum Corporate Income Tax (MCIT) <input checked="" type="checkbox"/>                                                                                                                                                                                                       |                   |                                                                                                             |  |
| <b>Part I - Background Information</b>                                                                                                                                                                                                                                                                                                                                                          |                    |                                                                                                                                                                                                                                                                                                                      |                   |                                                                                                             |  |
| 6 Taxpayer Identification Number (TIN) 000 - 164 - 442 - 000                                                                                                                                                                                                                                                                                                                                    |                    | 7 RDO Code 050                                                                                                                                                                                                                                                                                                       |                   |                                                                                                             |  |
| 8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS)<br>MANILA MINING CORPORATION                                                                                                                                                                                                                                                                                              |                    |                                                                                                                                                                                                                                                                                                                      |                   |                                                                                                             |  |
| 9A Registered Address (Indicate complete registered address)<br>20TH FLR BA-LEPANTO BLDG 8747 PASEO DE ROXAS SALCEDO VILLAGE CITY OF MAKATI, NCR, FOURTH DI                                                                                                                                                                                                                                     |                    |                                                                                                                                                                                                                                                                                                                      |                   |                                                                                                             |  |
| 9B Zipcode 1226                                                                                                                                                                                                                                                                                                                                                                                 |                    |                                                                                                                                                                                                                                                                                                                      |                   |                                                                                                             |  |
| 10 Date of Incorporation/Organization (MM/DD/YYYY) 06/03/1949                                                                                                                                                                                                                                                                                                                                   |                    |                                                                                                                                                                                                                                                                                                                      |                   |                                                                                                             |  |
| 11 Contact Number 8120451                                                                                                                                                                                                                                                                                                                                                                       |                    | 12 Email Address johc.subido@manilamining.com                                                                                                                                                                                                                                                                        |                   |                                                                                                             |  |
| 13 Method of Deductions <input checked="" type="radio"/> Itemized Deductions [Section 34 (A-J), NIRC] <input type="radio"/> Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended by RA No. 9504]                                                                                                                                                             |                    |                                                                                                                                                                                                                                                                                                                      |                   |                                                                                                             |  |
| <b>Part II - Total Tax Payable (Do NOT enter Centavos)</b>                                                                                                                                                                                                                                                                                                                                      |                    |                                                                                                                                                                                                                                                                                                                      |                   |                                                                                                             |  |
| 14 Total Income Tax Due (Overpayment) (From Part IV Item 43)                                                                                                                                                                                                                                                                                                                                    |                    |                                                                                                                                                                                                                                                                                                                      |                   | 7                                                                                                           |  |
| 15 Less: Total Tax Credits/Payments (From Part IV Item 55)                                                                                                                                                                                                                                                                                                                                      |                    |                                                                                                                                                                                                                                                                                                                      |                   | 163,412                                                                                                     |  |
| 16 Net Tax Payable (Overpayment) (Item 14 Less Item 15) (From Part IV Item 56)                                                                                                                                                                                                                                                                                                                  |                    |                                                                                                                                                                                                                                                                                                                      |                   | (163,405)                                                                                                   |  |
| <b>Add Penalties</b>                                                                                                                                                                                                                                                                                                                                                                            |                    |                                                                                                                                                                                                                                                                                                                      |                   |                                                                                                             |  |
| 17 Surcharge                                                                                                                                                                                                                                                                                                                                                                                    |                    |                                                                                                                                                                                                                                                                                                                      |                   | 0                                                                                                           |  |
| 18 Interest                                                                                                                                                                                                                                                                                                                                                                                     |                    |                                                                                                                                                                                                                                                                                                                      |                   | 0                                                                                                           |  |
| 19 Compromise                                                                                                                                                                                                                                                                                                                                                                                   |                    |                                                                                                                                                                                                                                                                                                                      |                   | 0                                                                                                           |  |
| 20 Total Penalties (Sum of Items 17 to 19)                                                                                                                                                                                                                                                                                                                                                      |                    |                                                                                                                                                                                                                                                                                                                      |                   | 0                                                                                                           |  |
| 21 TOTAL AMOUNT PAYABLE (Overpayment) (Sum of Item 16 and 20)                                                                                                                                                                                                                                                                                                                                   |                    |                                                                                                                                                                                                                                                                                                                      |                   | (163,405)                                                                                                   |  |
| If Overpayment, mark "X" one box only (Once the choice is made, the same is irrevocable)<br><input type="radio"/> To be refunded <input type="radio"/> To be issued a Tax Credit Certificate (TCC) <input checked="" type="radio"/> To be carried over as tax credit next year/quarter                                                                                                          |                    |                                                                                                                                                                                                                                                                                                                      |                   |                                                                                                             |  |
| We declare under the penalties of perjury, that this annual return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. (If Authorized Representative, attach authorization letter and indicate TIN) |                    |                                                                                                                                                                                                                                                                                                                      |                   |                                                                                                             |  |
| Signature over printed name of President/Principal Officer/Authorized Representative                                                                                                                                                                                                                                                                                                            |                    |                                                                                                                                                                                                                                                                                                                      |                   | Signature over printed name of Treasurer/Assistant Treasurer                                                |  |
| Title of Signatory                                                                                                                                                                                                                                                                                                                                                                              |                    | TIN                                                                                                                                                                                                                                                                                                                  |                   | 22 Number of Attachments 4                                                                                  |  |
| <b>Part III - Details of Payment</b>                                                                                                                                                                                                                                                                                                                                                            |                    |                                                                                                                                                                                                                                                                                                                      |                   |                                                                                                             |  |
| Particulars                                                                                                                                                                                                                                                                                                                                                                                     | Drawee Bank/Agency | Number                                                                                                                                                                                                                                                                                                               | Date (MM/DD/YYYY) | Amount                                                                                                      |  |
| 23 Cash/Bank Debit Memo                                                                                                                                                                                                                                                                                                                                                                         |                    |                                                                                                                                                                                                                                                                                                                      |                   | 0                                                                                                           |  |
| 24 Check                                                                                                                                                                                                                                                                                                                                                                                        |                    |                                                                                                                                                                                                                                                                                                                      |                   | 0                                                                                                           |  |
| 25 Tax Debit Memo                                                                                                                                                                                                                                                                                                                                                                               |                    |                                                                                                                                                                                                                                                                                                                      |                   | 0                                                                                                           |  |
| 26 Others (Specify Below)                                                                                                                                                                                                                                                                                                                                                                       |                    |                                                                                                                                                                                                                                                                                                                      |                   | 0                                                                                                           |  |
| Machine Validation/Revenue Official Receipts Details (if not filed with an Authorized Agent Bank)                                                                                                                                                                                                                                                                                               |                    |                                                                                                                                                                                                                                                                                                                      |                   | Stamp of receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)                    |  |



|                                                                                                                                       |                                                                                                                                          |                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| BIR Form No.<br><b>1702-RT</b><br>January 2018(ENCs)<br>Page 2                                                                        | <b>Annual Income Tax Return</b><br>Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to<br>REGULAR Income Tax Rate | <br>1702-RT 01/18ENCs P2 |
| <b>Taxpayer Identification Number (TIN)</b><br>000 - 164 - 442 - 000                                                                  |                                                                                                                                          | <b>Registered Name</b><br>MANILA MINING CORPORATION                                                        |
| <b>Part IV - Computation of Tax</b> (Do NOT enter Centavos)                                                                           |                                                                                                                                          |                                                                                                            |
| 27 Sales/Receipts/Revenues/Fees                                                                                                       |                                                                                                                                          | 0                                                                                                          |
| 28 Less: Sales Returns, Allowances and Discounts                                                                                      |                                                                                                                                          | 0                                                                                                          |
| 29 Net Sales/Receipts/Revenues/Fees (Item 27 Less Item 28)                                                                            |                                                                                                                                          | 0                                                                                                          |
| 30 Less: Cost of Sales/Services                                                                                                       |                                                                                                                                          | 0                                                                                                          |
| 31 Gross Income from Operation (Item 29 Less Item 30)                                                                                 |                                                                                                                                          | 0                                                                                                          |
| 32 Add: Other Taxable Income Not Subjected to Final Tax                                                                               |                                                                                                                                          | 365                                                                                                        |
| 33 Total Taxable Income (Sum of Items 31 and 32)                                                                                      |                                                                                                                                          | 365                                                                                                        |
| Less: Deductions Allowable under Existing Law                                                                                         |                                                                                                                                          |                                                                                                            |
| 34 Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)                                                           | 6,646,525                                                                                                                                |                                                                                                            |
| 35 Special Allowable Itemized Deductions (From Part VI Schedule II Item 5)                                                            | 0                                                                                                                                        |                                                                                                            |
| 36 NOLCO (only for those taxable under Sec. 27(A to C); Sec. 28(A)(1) & (A)(6)(b) of the tax Code) (From Part VI Schedule III Item 8) | 0                                                                                                                                        |                                                                                                            |
| 37 Total Deductions (Sum of Items 34 to 36)                                                                                           | 6,646,525                                                                                                                                |                                                                                                            |
| OR [in case taxable under Sec 27(A) & 28(A)(1)]                                                                                       |                                                                                                                                          |                                                                                                            |
| 38 Optional Standard Deduction (40% of Item 33)                                                                                       | 0                                                                                                                                        |                                                                                                            |
| 39 Net Taxable Income(Loss) (If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)                                         |                                                                                                                                          | (6,646,160)                                                                                                |
| 40 Applicable Income Tax Rate                                                                                                         |                                                                                                                                          | 30 %                                                                                                       |
| 41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) (Item 39 x Item 40)                                                  |                                                                                                                                          | 0                                                                                                          |
| 42 MCIT Due (2% of Item 33)                                                                                                           |                                                                                                                                          | 7                                                                                                          |
| 43 Tax Due (Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher) (To Part II Item 14)                    |                                                                                                                                          | 7                                                                                                          |
| Less: Tax Credits/Payments (attach proof)                                                                                             |                                                                                                                                          |                                                                                                            |
| 44 Prior Year's Excess Credits Other Than MCIT                                                                                        |                                                                                                                                          | 163,412                                                                                                    |
| 45 Income Tax Payment under MCIT from Previous Quarter/s                                                                              |                                                                                                                                          | 0                                                                                                          |
| 46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s                                                               |                                                                                                                                          | 0                                                                                                          |
| 47 Excess MCIT Applied this Current Taxable Year (From Part VI Schedule IV Item 4)                                                    |                                                                                                                                          | 0                                                                                                          |
| 48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307                                                              |                                                                                                                                          | 0                                                                                                          |
| 49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter                                                                  |                                                                                                                                          | 0                                                                                                          |
| 50 Foreign Tax Credits, if applicable                                                                                                 |                                                                                                                                          | 0                                                                                                          |
| 51 Tax Paid in Return Previously Filed, if this is an Amended Return                                                                  |                                                                                                                                          | 0                                                                                                          |
| 52 Special Tax Credits (To Part V Item 58)                                                                                            |                                                                                                                                          | 0                                                                                                          |
| Other Credits/Payments (Specify)                                                                                                      |                                                                                                                                          |                                                                                                            |
| 53                                                                                                                                    |                                                                                                                                          | 0                                                                                                          |
| 54                                                                                                                                    |                                                                                                                                          | 0                                                                                                          |
|                                                    |                                                                                                                                          |                                                                                                            |
| 55 Total Tax Credits/Payments (Sum of Items 44 to 54) (To Part II Item 15)                                                            |                                                                                                                                          | 163,412                                                                                                    |
| 56 Net Tax Payable / (Overpayment) (Item 43 Less Item 55) (To Part II Item 16)                                                        |                                                                                                                                          | (163,405)                                                                                                  |
| <b>Part V - Tax Relief Availment</b>                                                                                                  |                                                                                                                                          |                                                                                                            |
| 57 Special Allowable Itemized Deductions (Item 35 of Part IV x Applicable Income Tax Rate)                                            |                                                                                                                                          | 0                                                                                                          |
| 58 Add: Special Tax Credits (From Part IV Item 52)                                                                                    |                                                                                                                                          | 0                                                                                                          |
| 59 Total Tax Relief Availment (Sum of Items 57 and 58)                                                                                |                                                                                                                                          | 0                                                                                                          |



|                                                                                                                             |                                                                                                                                          |                                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| BIR Form No.<br><b>1702-RT</b><br>January 2018(ENCS)<br>Page 3                                                              | <b>Annual Income Tax Return</b><br>Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to<br>REGULAR Income Tax Rate | <br>1702-RT 01/18ENCS P3 |
| <b>Taxpayer Identification Number (TIN)</b><br>000 - 164 - 442 - 000                                                        |                                                                                                                                          | <b>Registered Name</b><br>MANILA MINING CORPORATION                                                        |
| <b>Schedule I - Ordinary Allowable Itemized Deductions (Attach additional sheet/s, if necessary)</b>                        |                                                                                                                                          |                                                                                                            |
| 1 Amortizations                                                                                                             |                                                                                                                                          | 0                                                                                                          |
| 2 Bad Debts                                                                                                                 |                                                                                                                                          | 0                                                                                                          |
| 3 Charitable Contributions                                                                                                  |                                                                                                                                          | 0                                                                                                          |
| 4 Depletion                                                                                                                 |                                                                                                                                          | 0                                                                                                          |
| 5 Depreciation                                                                                                              |                                                                                                                                          | 0                                                                                                          |
| 6 Entertainment, Amusement and Recreation                                                                                   |                                                                                                                                          | 0                                                                                                          |
| 7 Fringe Benefits                                                                                                           |                                                                                                                                          | 0                                                                                                          |
| 8 Interest                                                                                                                  |                                                                                                                                          | 0                                                                                                          |
| 9 Losses                                                                                                                    |                                                                                                                                          | 0                                                                                                          |
| 10 Pension Trust                                                                                                            |                                                                                                                                          | 0                                                                                                          |
| 11 Rental                                                                                                                   |                                                                                                                                          | 0                                                                                                          |
| 12 Research and Development                                                                                                 |                                                                                                                                          | 0                                                                                                          |
| 13 Salaries, Wages and Allowances                                                                                           |                                                                                                                                          | 0                                                                                                          |
| 14 SSS, GSIS, Philhealth, HDMF and Other Contributions                                                                      |                                                                                                                                          | 0                                                                                                          |
| 15 Taxes and Licenses                                                                                                       |                                                                                                                                          | 0                                                                                                          |
| 16 Transportation and Travel                                                                                                |                                                                                                                                          | 0                                                                                                          |
| 17 Others (Deductions Subject to Withholding Tax and Other Expenses) [Specify below; Add additional sheet(s), if necessary] |                                                                                                                                          |                                                                                                            |
| a Janitorial and Messengerial Services                                                                                      |                                                                                                                                          | 0                                                                                                          |
| b Professional Fees                                                                                                         |                                                                                                                                          | 0                                                                                                          |
| c Security Services                                                                                                         |                                                                                                                                          | 0                                                                                                          |
| d LOSS ON INVENTORY RECEIVABLE WRITE OFF                                                                                    |                                                                                                                                          | 2,326,904                                                                                                  |
| e ADMINISTRATION                                                                                                            |                                                                                                                                          | 4,319,621                                                                                                  |
| f                                                                                                                           |                                                                                                                                          | 0                                                                                                          |
| g                                                                                                                           |                                                                                                                                          | 0                                                                                                          |
| h                                                                                                                           |                                                                                                                                          | 0                                                                                                          |
| i                                                                                                                           |                                                                                                                                          | 0                                                                                                          |
|                                          |                                                                                                                                          |                                                                                                            |
| <b>18 Total Ordinary Allowable Itemized Deductions (Sum of Items 1 to 17) (To Part IV Item 34)</b>                          |                                                                                                                                          | 6,646,525                                                                                                  |
| <b>Schedule II - Special Allowable Itemized Deductions (Attach additional sheet/s, if necessary)</b>                        |                                                                                                                                          |                                                                                                            |
| Description                                                                                                                 | Legal Basis                                                                                                                              | Amount                                                                                                     |
| 1                                                                                                                           |                                                                                                                                          | 0                                                                                                          |
| 2                                                                                                                           |                                                                                                                                          | 0                                                                                                          |
| 3                                                                                                                           |                                                                                                                                          | 0                                                                                                          |
| 4                                                                                                                           |                                                                                                                                          | 0                                                                                                          |
|                                          |                                                                                                                                          |                                                                                                            |
| <b>5 Total Special Allowable Itemized Deductions (Sum of Items 1 to 4) (To Part IV Item 35)</b>                             |                                                                                                                                          | 0                                                                                                          |

|                                                                      |  |                                                                                                                                          |                                                     |                                                                                                            |  |
|----------------------------------------------------------------------|--|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------|--|
| BIR Form No.<br><b>1702-RT</b><br>January 2018(ENCS)<br>Page 4       |  | <b>Annual Income Tax Return</b><br>Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to<br>REGULAR Income Tax Rate |                                                     | <br>1702-RT 01/18ENCS P4 |  |
| <b>Taxpayer Identification Number (TIN)</b><br>000 - 164 - 442 - 000 |  |                                                                                                                                          | <b>Registered Name</b><br>MANILA MINING CORPORATION |                                                                                                            |  |

| Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)              |             |
|----------------------------------------------------------------------------------|-------------|
| 1 Gross Income (From Part IV Item 33)                                            | 365         |
| 2 Less: Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18) | 6,646,525   |
| 3 Net Operating Loss (Item 1 Less Item 2) (To Schedule IIIA, Item 7A)            | (6,646,160) |

| Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO) (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up) |           |                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------------------------|
| Net Operating Loss                                                                                                                                         |           | B) NOLCO Applied Previous Year |
| Year Incurred                                                                                                                                              | A) Amount |                                |
| 4 2024                                                                                                                                                     | 6,646,160 | 0                              |
| 5                                                                                                                                                          | 0         | 0                              |
| 6                                                                                                                                                          | 0         | 0                              |
| 7                                                                                                                                                          | 0         | 0                              |

Continuation of Schedule IIIA (Item numbers continue from table above)

| C) NOLCO Expired                                            | D) NOLCO Applied Current Year | E) Net Operating Loss (Unapplied)<br>(E = A Less (B + C + D) ) |
|-------------------------------------------------------------|-------------------------------|----------------------------------------------------------------|
| 4 0                                                         | 0                             | 6,646,160                                                      |
| 5 0                                                         | 0                             | 0                                                              |
| 6 0                                                         | 0                             | 0                                                              |
| 7 0                                                         | 0                             | 0                                                              |
| 8 Total NOLCO (Sum of Items 4D to 7D) (To Part IV, Item 36) | 0                             |                                                                |

| Schedule IV - Computation of Minimum Corporate Income Tax (MCIT) |                                  |         |                                       |
|------------------------------------------------------------------|----------------------------------|---------|---------------------------------------|
| Year                                                             | A) Normal Income Tax as adjusted | B) MCIT | C) Excess MCIT over Normal Income Tax |
| 1                                                                | 0                                | 0       | 0                                     |
| 2                                                                | 0                                | 0       | 0                                     |
| 3                                                                | 0                                | 0       | 0                                     |

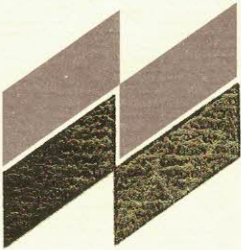
Continuation of Schedule IV (Item numbers continue from table above)

| D) Excess MCIT Applied/Used in Previous Years                          | E) Expired Portion of Excess MCIT | F) Excess MCIT Applied this Current Taxable Year | G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s<br>(G = C Less (D + E + F) ) |
|------------------------------------------------------------------------|-----------------------------------|--------------------------------------------------|------------------------------------------------------------------------------------------------------|
| 1 0                                                                    | 0                                 | 0                                                | 0                                                                                                    |
| 2 0                                                                    | 0                                 | 0                                                | 0                                                                                                    |
| 3 0                                                                    | 0                                 | 0                                                | 0                                                                                                    |
| Total Excess MCIT Applied (Sum of Items 1F to 3F) (To Part IV Item 47) |                                   | 0                                                |                                                                                                      |

| Schedule V - Reconciliation of Net Income per Books Against Taxable Income (attach additional sheet/s, if necessary) |             |
|----------------------------------------------------------------------------------------------------------------------|-------------|
| 1 Net Income/(Loss) per books                                                                                        | (6,646,160) |
| Add: Non-deductible Expenses/Taxable Other Income                                                                    |             |
| 2                                                                                                                    | 0           |
| 3                                                                                                                    | 0           |
| 4 Total (Sum of Items 1 to 3)                                                                                        |             |
| (6,646,160)                                                                                                          |             |
| Less: A) Non-Taxable Income and Income Subjected to Final Tax                                                        |             |
| 5                                                                                                                    | 0           |
| 6                                                                                                                    | 0           |
| B) Special Deductions                                                                                                |             |
| 7                                                                                                                    | 0           |
| 8                                                                                                                    | 0           |
| 9 Total (Sum of Items 5 to 8)                                                                                        |             |
| 0                                                                                                                    |             |
| 10 Net Taxable Income/(Loss) (Item 4 Less Item 9)                                                                    | (6,646,160) |





# Manila Mining Corporation

20th Floor, Lepanto Bldg., 8747 Paseo de Roxas  
Makati City, Philippines 1226  
P.O. Box 1460, MCPO, 1226, Makati City  
Telephone: +63(2) 815-9447  
Fax: +63(2) 894-6265

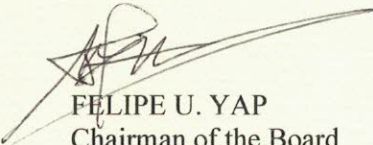
## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of **Manila Mining Corporation** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended **December 31, 2024**. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended **December 31, 2024** and the accompanying Annual Income Tax Return are in accordance with the books and records of **Manila Mining Corporation** is complete and correct in all material respects. Management likewise affirms that:

- a. the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- b. any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- c. **Manila Mining Corporation** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signature:



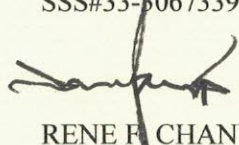
FELIPE U. YAP  
Chairman of the Board  
SSS#06-0091101-0

Signature:



BRYAN U. YAP  
President  
SSS#33-3067339-5

Signature:



RENE F. CHANYUNGCO  
Senior Vice President-Treasurer  
SSS#03-4793502-9

## MAKATI CITY

SUBSCRIBED AND SWORN TO before me this **APR 30 2025** day of April 2025 at Makati City, affiant exhibiting to me their SSS ID nos.

|                    |   |              |
|--------------------|---|--------------|
| FELIPE U. YAP      | - | 06-0091101-0 |
| BRYAN U. YAP       | - | 33-3067339-5 |
| RENE F. CHANYUNGCO | - | 03-4793502-9 |

Doc. No. 403:  
Page No. 82:  
Book No. XVII  
Series of 2025.

**ATTY. GERVACIO B. ORTIZ JR.**  
Notary Public City of Makati  
Until December 31, 2026  
IBP No. 956155 Lifetime Member  
MCLE Compliance No. VII-0022734  
Appointment No. M-007(2025-2026)  
PTR No. 0465005 Jan. 2, 2025  
Makati City Roll No. 40091  
101 Urban Ave. Campos Rueda Bldg.  
Brgy Pio Del Pilar, Makati City

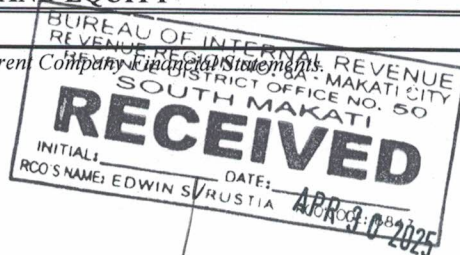


## MANILA MINING CORPORATION

## PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

|                                                                                               | December 31           |                       |
|-----------------------------------------------------------------------------------------------|-----------------------|-----------------------|
|                                                                                               | 2024                  | 2023                  |
| <b>ASSETS</b>                                                                                 |                       |                       |
| <b>Current Assets</b>                                                                         |                       |                       |
| Cash (Note 4)                                                                                 | ₱3,355,770            | ₱15,995,548           |
| Receivables (Note 5)                                                                          | 20,488,819            | 20,985,879            |
| Inventories (Note 6)                                                                          | 5,148,614             | 7,171,509             |
| Prepayments and other current assets (Note 7)                                                 | 43,151,958            | 31,434,601            |
| <b>Total Current Assets</b>                                                                   | <b>72,145,161</b>     | <b>75,587,537</b>     |
| <b>Noncurrent Assets</b>                                                                      |                       |                       |
| Financial assets designated at fair value through other comprehensive income (FVOCI) (Note 8) | 7,333,851             | 8,345,854             |
| Investment in a subsidiary (Note 9)                                                           | 2,925,757             | 3,174,801             |
| Property and equipment (Note 10)                                                              | 196,482,913           | 199,578,410           |
| Deferred mine exploration and evaluation costs (Note 11)                                      | 3,396,261,275         | 3,310,769,548         |
| Other noncurrent assets (Note 12)                                                             | 32,710,543            | 40,746,524            |
| <b>Total Noncurrent Assets</b>                                                                | <b>3,635,714,339</b>  | <b>3,562,615,137</b>  |
| <b>TOTAL ASSETS</b>                                                                           | <b>₱3,707,859,500</b> | <b>₱3,638,202,674</b> |
| <b>LIABILITIES AND EQUITY</b>                                                                 |                       |                       |
| <b>Current Liabilities</b>                                                                    |                       |                       |
| Accounts payable, accrued expenses and payable to affiliates (Note 13)                        | ₱278,496,371          | ₱189,982,387          |
| <b>Noncurrent Liabilities</b>                                                                 |                       |                       |
| Retirement benefits obligation (Note 17)                                                      | 3,926,030             | 3,902,814             |
| Deferred tax liability - net (Note 18)                                                        | 49,064,692            | 49,065,115            |
| <b>Total Noncurrent Liabilities</b>                                                           | <b>52,990,722</b>     | <b>52,967,929</b>     |
| <b>Total Liabilities</b>                                                                      | <b>331,487,093</b>    | <b>242,950,316</b>    |
| <b>Equity</b>                                                                                 |                       |                       |
| Capital stock (Note 19)                                                                       | 3,114,675,832         | 3,114,675,832         |
| Additional paid-in capital                                                                    | 516,206,789           | 516,206,789           |
| Re-measurement gain (loss) on retirement benefits obligation (Note 17)                        | 117,953               | (153,308)             |
| Fair value reserve of financial assets designated at FVOCI (Note 8)                           | (62,603,413)          | (61,591,410)          |
| Deficit                                                                                       | (192,024,754)         | (173,885,545)         |
| <b>Total Equity</b>                                                                           | <b>3,376,372,407</b>  | <b>3,395,252,358</b>  |
| <b>TOTAL LIABILITIES AND EQUITY</b>                                                           | <b>₱3,707,859,500</b> | <b>₱3,638,202,674</b> |

See accompanying Notes to Parent Company Financial Statements.



\*SGVFS195852\*

**MANILA MINING CORPORATION**  
**PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME**

|                                                                         | Years Ended December 31 |                      |
|-------------------------------------------------------------------------|-------------------------|----------------------|
|                                                                         | 2024                    | 2023                 |
| <b>ADMINISTRATION AND OVERHEAD COSTS</b> (Note 15)                      | <b>(P6,896,084)</b>     | <b>(P6,593,459)</b>  |
| <b>OTHER INCOME (CHARGES)</b>                                           |                         |                      |
| Interest expense (Note 17)                                              | (235,340)               | (235,540)            |
| Interest income (Notes 4 and 12)                                        | 5,437                   | 15,649               |
| Other charges - net (Note 16)                                           | (11,104,066)            | (4,587,469)          |
|                                                                         | <b>(11,333,969)</b>     | <b>(4,807,360)</b>   |
| <b>LOSS BEFORE INCOME TAX</b>                                           | <b>(18,230,053)</b>     | <b>(11,400,819)</b>  |
| <b>BENEFIT FROM DEFERRED INCOME TAX</b> (Note 18)                       | <b>90,844</b>           | <b>120,991</b>       |
| <b>NET LOSS</b>                                                         | <b>(18,139,209)</b>     | <b>(11,279,828)</b>  |
| <b>OTHER COMPREHENSIVE GAIN (LOSS), NET OF TAX</b>                      |                         |                      |
| Changes in fair values of financial assets designated at FVOCI (Note 8) | (1,012,003)             | (2,257,545)          |
| Re-measurement gain (loss) on retirement benefits obligation (Note 17)  | 361,682                 | (104,756)            |
| Income tax effect                                                       | (90,421)                | 26,189               |
|                                                                         | <b>(740,742)</b>        | <b>(2,336,112)</b>   |
| <b>TOTAL COMPREHENSIVE LOSS</b>                                         | <b>(P18,879,951)</b>    | <b>(P13,615,940)</b> |
| <b>LOSS PER SHARE</b> (Note 20)                                         |                         |                      |
| Basic and diluted loss per share                                        | <b>(P0.00006)</b>       | <b>(P0.00004)</b>    |

See accompanying Notes to Parent Company Financial Statements.



**\*SGVFS195852\***



# COVER SHEET

for

## AUDITED FINANCIAL STATEMENTS

SEC Registration Number

|   |   |   |   |  |  |  |  |  |  |
|---|---|---|---|--|--|--|--|--|--|
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**COMPANY NAME**

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

|   |   |   |   |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
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| 8 | 7 | 4 | 7 |  | P | a | s | e | o |   | d | e |   | R | o | x | a | s | , |   | M | a | k | a | t | i |   |   |  |
| 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 |  |
|---|---|---|--|

**COMPANY INFORMATION**

Company's Email Address

inquiry@manilamining.com

Company's Telephone Number

(632) 8815-9447

Mobile Number

0917-5775374

No. of Stockholders

4,127

Annual Meeting (Month / Day)

12/20

Fiscal Year (Month / Day)

12/31

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

Name of Contact Person

Rene F. Chanyungco

Email Address

rfc@lepantomining.com

Telephone Number/s

(632) 8815-9447

Mobile Number

0917-5775374

**CONTACT PERSON'S ADDRESS**

20th Floor, Lepanto Building, Paseo de Roxas, Makati 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 Stockholders  
Manila Mining Corporation  
20th Floor, Lepanto Building  
8747 Paseo de Roxas, Makati City

### Report on the Audit of the Parent Company Financial Statements

#### Opinion

We have audited the parent company financial statements of Manila Mining Corporation (the Parent Company), which comprise the parent company statements of financial position as at December 31, 2024 and 2023, and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

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

#### Basis for Opinion

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

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

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

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



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

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

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

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

- Identify and assess the risks of material misstatement of the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

**Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010**

Our audits were conducted for the purpose of forming an opinion on the parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 24 to the parent company financial statements, respectively, is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic parent company financial statements. Such information is the responsibility of the management of Manila Mining Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic parent company financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic parent company financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Eleanore A. Layug.

SYCIP GORRES VELAYO & CO.

  
Eleanore A. Layug

Partner

CPA Certificate No. 0100794

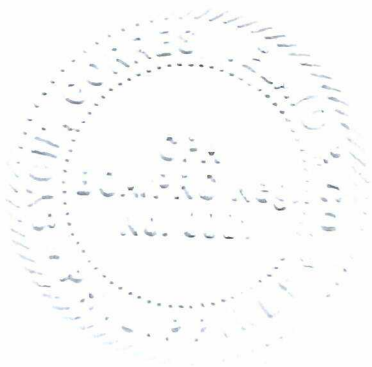
Tax Identification No. 163-069-453

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

BIR Accreditation No. 08-001998-097-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10465317, January 2, 2025, Makati City

April 29, 2025



**MANILA MINING CORPORATION**  
**PARENT COMPANY STATEMENTS OF FINANCIAL POSITION**

|                                                                                               | <b>December 31</b>    |                |
|-----------------------------------------------------------------------------------------------|-----------------------|----------------|
|                                                                                               | <b>2024</b>           | <b>2023</b>    |
| <b>ASSETS</b>                                                                                 |                       |                |
| <b>Current Assets</b>                                                                         |                       |                |
| Cash (Note 4)                                                                                 | <b>₱3,355,770</b>     | ₱15,995,548    |
| Receivables (Note 5)                                                                          | <b>20,488,819</b>     | 20,985,879     |
| Inventories (Note 6)                                                                          | <b>5,148,614</b>      | 7,171,509      |
| Prepayments and other current assets (Note 7)                                                 | <b>43,151,958</b>     | 31,434,601     |
| <b>Total Current Assets</b>                                                                   | <b>72,145,161</b>     | 75,587,537     |
| <b>Noncurrent Assets</b>                                                                      |                       |                |
| Financial assets designated at fair value through other comprehensive income (FVOCI) (Note 8) | <b>7,333,851</b>      | 8,345,854      |
| Investment in a subsidiary (Note 9)                                                           | <b>2,925,757</b>      | 3,174,801      |
| Property and equipment (Note 10)                                                              | <b>196,482,913</b>    | 199,578,410    |
| Deferred mine exploration and evaluation costs (Note 11)                                      | <b>3,396,261,275</b>  | 3,310,769,548  |
| Other noncurrent assets (Note 12)                                                             | <b>32,710,543</b>     | 40,746,524     |
| <b>Total Noncurrent Assets</b>                                                                | <b>3,635,714,339</b>  | 3,562,615,137  |
| <b>TOTAL ASSETS</b>                                                                           | <b>₱3,707,859,500</b> | ₱3,638,202,674 |
| <b>LIABILITIES AND EQUITY</b>                                                                 |                       |                |
| <b>Current Liabilities</b>                                                                    |                       |                |
| Accounts payable, accrued expenses and payable to affiliates (Note 13)                        | <b>₱278,496,371</b>   | ₱189,982,387   |
| <b>Noncurrent Liabilities</b>                                                                 |                       |                |
| Retirement benefits obligation (Note 17)                                                      | <b>3,926,030</b>      | 3,902,814      |
| Deferred tax liability - net (Note 18)                                                        | <b>49,064,692</b>     | 49,065,115     |
| <b>Total Noncurrent Liabilities</b>                                                           | <b>52,990,722</b>     | 52,967,929     |
| <b>Total Liabilities</b>                                                                      | <b>331,487,093</b>    | 242,950,316    |
| <b>Equity</b>                                                                                 |                       |                |
| Capital stock (Note 19)                                                                       | <b>3,114,675,832</b>  | 3,114,675,832  |
| Additional paid-in capital                                                                    | <b>516,206,789</b>    | 516,206,789    |
| Re-measurement gain (loss) on retirement benefits obligation (Note 17)                        | <b>117,953</b>        | (153,308)      |
| Fair value reserve of financial assets designated at FVOCI (Note 8)                           | <b>(62,603,413)</b>   | (61,591,410)   |
| Deficit                                                                                       | <b>(192,024,754)</b>  | (173,885,545)  |
| <b>Total Equity</b>                                                                           | <b>3,376,372,407</b>  | 3,395,252,358  |
| <b>TOTAL LIABILITIES AND EQUITY</b>                                                           | <b>₱3,707,859,500</b> | ₱3,638,202,674 |

*See accompanying Notes to Parent Company Financial Statements.*



**MANILA MINING CORPORATION****PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME**

|                                                                            | <b>Years Ended December 31</b> |                      |
|----------------------------------------------------------------------------|--------------------------------|----------------------|
|                                                                            | <b>2024</b>                    | <b>2023</b>          |
| <b>ADMINISTRATION AND OVERHEAD COSTS</b> (Note 15)                         | <b>(₱6,896,084)</b>            | <b>(₱6,593,459)</b>  |
| <b>OTHER INCOME (CHARGES)</b>                                              |                                |                      |
| Interest expense (Note 17)                                                 | (235,340)                      | (235,540)            |
| Interest income (Notes 4 and 12)                                           | 5,437                          | 15,649               |
| Other charges - net (Note 16)                                              | (11,104,066)                   | (4,587,469)          |
|                                                                            | <b>(11,333,969)</b>            | <b>(4,807,360)</b>   |
| <b>LOSS BEFORE INCOME TAX</b>                                              | <b>(18,230,053)</b>            | <b>(11,400,819)</b>  |
| <b>BENEFIT FROM DEFERRED INCOME TAX</b> (Note 18)                          | <b>90,844</b>                  | <b>120,991</b>       |
| <b>NET LOSS</b>                                                            | <b>(18,139,209)</b>            | <b>(11,279,828)</b>  |
| <b>OTHER COMPREHENSIVE GAIN (LOSS), NET OF TAX</b>                         |                                |                      |
| Changes in fair values of financial assets designated at FVOCI<br>(Note 8) | (1,012,003)                    | (2,257,545)          |
| Re-measurement gain (loss) on retirement benefits obligation<br>(Note 17)  | 361,682                        | (104,756)            |
| Income tax effect                                                          | (90,421)                       | 26,189               |
|                                                                            | <b>(740,742)</b>               | <b>(2,336,112)</b>   |
| <b>TOTAL COMPREHENSIVE LOSS</b>                                            | <b>(₱18,879,951)</b>           | <b>(₱13,615,940)</b> |
| <b>LOSS PER SHARE</b> (Note 20)                                            |                                |                      |
| Basic and diluted loss per share                                           | <b>(₱0.00006)</b>              | <b>(₱0.00004)</b>    |

*See accompanying Notes to Parent Company Financial Statements.*



# MANILA MINING CORPORATION

## PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

|                                                  | Capital Stock (Note 19) |                   |                            |                       | Additional<br>Paid-In<br>Capital | Fair Value<br>Reserve of<br>Financial<br>Assets<br>Designated at<br>FVOCI<br>(Note 8) | Re-measurement<br>Gain (Loss) on<br>Retirement<br>Obligation<br>(Note 17) | Deficit               | Total                 |
|--------------------------------------------------|-------------------------|-------------------|----------------------------|-----------------------|----------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------|-----------------------|
|                                                  | Issued                  | Subscribed        | Subscription<br>Receivable | Total                 |                                  |                                                                                       |                                                                           |                       |                       |
| <b>Balances as at January 1, 2023</b>            | ₱2,676,844,923          | ₱438,196,542      | (₱154,721,586)             | ₱2,960,319,879        | ₱516,406,129                     | (₱59,333,865)                                                                         | (₱74,741)                                                                 | (₱162,605,717)        | ₱3,254,711,685        |
| Net loss                                         | —                       | —                 | —                          | —                     | —                                | —                                                                                     | —                                                                         | (11,279,828)          | (11,279,828)          |
| Other comprehensive loss, net of tax             | —                       | —                 | —                          | —                     | —                                | (2,257,545)                                                                           | (78,567)                                                                  | —                     | (2,336,112)           |
| Total comprehensive loss                         | —                       | —                 | —                          | —                     | —                                | (2,257,545)                                                                           | (78,567)                                                                  | (11,279,828)          | (13,615,940)          |
| Issuance and subscription of shares              | 432,889,090             | (432,889,091)     | 154,355,954                | 154,355,953           | (199,340)                        | —                                                                                     | —                                                                         | —                     | 154,156,613           |
| <b>Balances at December 31, 2023</b>             | <b>₱3,109,734,013</b>   | <b>₱5,307,451</b> | <b>(₱365,632)</b>          | <b>₱3,114,675,832</b> | <b>₱516,206,789</b>              | <b>(₱61,591,410)</b>                                                                  | <b>(₱153,308)</b>                                                         | <b>(₱173,885,545)</b> | <b>₱3,395,252,358</b> |
| Net loss                                         | —                       | —                 | —                          | —                     | —                                | —                                                                                     | —                                                                         | (18,139,209)          | (18,139,209)          |
| Other comprehensive income (loss),<br>net of tax | —                       | —                 | —                          | —                     | —                                | (1,012,003)                                                                           | 271,261                                                                   | —                     | (740,742)             |
| Total comprehensive income (loss)                | —                       | —                 | —                          | —                     | —                                | (1,012,003)                                                                           | 271,261                                                                   | (18,144,282)          | (18,885,024)          |
| <b>Balances at December 31, 2024</b>             | <b>₱3,109,734,013</b>   | <b>₱5,307,451</b> | <b>(₱365,632)</b>          | <b>₱3,114,675,832</b> | <b>₱516,206,789</b>              | <b>(₱62,603,413)</b>                                                                  | <b>₱117,953</b>                                                           | <b>(₱192,024,754)</b> | <b>₱3,376,372,407</b> |

See accompanying Notes to Parent Company Financial Statements.



**MANILA MINING CORPORATION**  
**PARENT COMPANY STATEMENTS OF CASH FLOWS**

|                                                             | <b>Years Ended December 31</b> |                      |
|-------------------------------------------------------------|--------------------------------|----------------------|
|                                                             | <b>2024</b>                    | <b>2023</b>          |
| <b>OPERATING ACTIVITIES</b>                                 |                                |                      |
| Loss before income tax                                      | <b>(₱18,230,053)</b>           | <b>(₱11,400,819)</b> |
| Adjustments for:                                            |                                |                      |
| Depreciation (Notes 10 and 15)                              | <b>2,326,905</b>               | 2,118,914            |
| Net changes in retirement benefits obligation               | <b>384,898</b>                 | 452,317              |
| Provision for impairment losses on investment in subsidiary | <b>249,044</b>                 | 4,543,949            |
| Unrealized foreign exchange loss (gain)                     | <b>(15,439)</b>                | 2,335                |
| Interest income (Notes 4 and 12)                            | <b>(5,437)</b>                 | (15,649)             |
| Operating loss before working capital changes               | <b>(15,290,082)</b>            | <b>(4,298,953)</b>   |
| Decrease (increase) in:                                     |                                |                      |
| Receivables                                                 | <b>497,060</b>                 | 591,854              |
| Inventories                                                 | <b>2,022,895</b>               | (2,185,461)          |
| Prepayments and other current assets                        | <b>(11,717,357)</b>            | (12,165,691)         |
| Input VAT                                                   | <b>8,042,018</b>               | (16,111,834)         |
| Increase in accounts payable and accrued expenses           | <b>88,513,984</b>              | 48,657,696           |
| Net cash generated from operations                          | <b>72,068,518</b>              | 14,487,611           |
| Interest received                                           | <b>5,437</b>                   | 15,649               |
| Net cash flows from operating activities                    | <b>72,073,955</b>              | 14,503,260           |
| <b>INVESTING ACTIVITIES</b>                                 |                                |                      |
| Additions to:                                               |                                |                      |
| Deferred mine exploration and evaluation costs (Note 11)    | <b>(79,935,597)</b>            | (121,982,582)        |
| Property and equipment (Note 10)                            | <b>(4,787,537)</b>             | (87,895,828)         |
| Increase in other noncurrent assets                         | <b>(6,038)</b>                 | (4,458)              |
| Cash flows used in investing activities                     | <b>(84,729,172)</b>            | (209,882,868)        |
| <b>FINANCING ACTIVITIES</b>                                 |                                |                      |
| Proceeds from stock rights offering (Note 19)               | –                              | 154,355,954          |
| Transaction costs (Note 19)                                 | –                              | (199,340)            |
| Net cash flows from financing activities                    | –                              | 154,156,614          |
| <b>NET DECREASE IN CASH</b>                                 | <b>(12,655,217)</b>            | <b>(41,222,994)</b>  |
| <b>EFFECT OF EXCHANGE RATE CHANGES TO CASH</b>              | <b>15,439</b>                  | <b>(2,335)</b>       |
| <b>CASH AT THE BEGINNING OF THE YEAR</b>                    | <b>15,995,548</b>              | <b>57,220,877</b>    |
| <b>CASH AT THE END OF YEAR</b>                              | <b>₱3,355,770</b>              | <b>₱15,995,548</b>   |

*See accompanying Notes to Parent Company Financial Statements.*





# MANILA MINING CORPORATION

## NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

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### 1. Corporate Information, Status of Operations and Authorization for the Issuance of the Financial Statements

#### Corporate Information

Manila Mining Corporation (the Parent Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on June 3, 1949, 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 precious and semi-precious metals, ores, minerals and their by-products. The Parent Company's shares are listed and traded on the Philippine Stock Exchange (PSE).

The principal office of the Parent Company is located at 20th Floor Lepanto Building, 8747 Paseo de Roxas, Makati City.

#### Status of Operations

##### *Manila Mining Corporation*

On May 22, 1996, the Parent Company's Board of Directors (BOD) approved the expansion of its current mill capacity from 8,000 tonnes per day (TPD) to 10,000 TPD, designed to consolidate the installation of the second semi-autogenous grinding mill unit with the original 48-inch pit conveyor project. The expansion was registered with the Board of Investments (BOI) under Executive Order (EO) No. 226 on October 6, 1996.

On November 5, 1997, the BOI approved the Parent Company's application for registration of its copper flotation project under EO No. 226 on a non-pioneer status. On June 9, 2000, the BOI likewise approved the Parent Company's application for the modernization program of the copper flotation project under a preferred non-pioneer status. As a registered enterprise, the Parent Company is entitled to certain incentives and tax benefits which include, among others, income tax holiday for a period of four years from February 23, 1998, the actual start of commercial operations.

The two BOI certificates of registration are currently suspended in view of the suspension of the Parent Company's operations.

On November 30, 2000, the Parent Company's gold mining and milling operations were temporarily shut down due to the landslide that occurred in one of its open pits.

On December 20, 2000, the Parent Company temporarily shut down its milling operations pending its receipt of a permit to further raise its tailings pond.

On January 29, 2001, after obtaining the necessary permit to increase the height of the tailings pond to the 65-meter limit set by the Department of Environment and Natural Resources (DENR), the Parent Company resumed its milling operations.

On July 26, 2001, the Parent Company's BOD resolved to shut down the Parent Company's mining operations due to the expiration of its temporary authority to construct and operate its tailings dam issued by the DENR. In view of the suspension of the Parent Company's mining operations, the registration of the Parent Company's copper flotation project was suspended by the BOI on August 23, 2005.



In 2005, several companies expressed interest in the area that lies between the Kalayaan district at the extreme southwest end of the Parent Company's tenement holdings and immediately north of the historical operations and the Philex Boyongan discovery. This area has been named the "Corridor" as it covers important geology and structures that connect two significantly mineralized areas. The Corridor also hosts several small gold deposits that are not currently economic to develop and operate. However, with additional investment and operations, it is expected that the reserves would grow significantly.

The Parent Company is a holder of a valid and existing Mineral Production Sharing Agreement (MPSA) No. 253-2007-XIII granted on August 10, 2007 for a period of 25 years from issuance thereof or until August 10, 2032, consisting of 211.50 hectares (has.) located in Placer, Surigao del Norte.

In addition, the Parent Company also filed applications for MPSA, designated as Application for Production Sharing Agreement (APSA) No. 0006-X (AMD.) on September 14, 1992 consisting of 1,580.00 has.; and APSA No. 0007(X) filed on November 26, 1992, consisting of 4,793.85 has., located in Cabadbaran City, Agusan del Norte; and applications for conversion covering its mining lease contracts granted under the old mining law namely, APSA No. XIII-083 filed on February 21, 2003 consisting of 530.00 has.; APSA No. 000107-XIII filed February 17, 2011, consisting of 265.50 has., all situated in Placer, Surigao del Norte. All these applications were already endorsed by the Mine and Geosciences Bureau (MGB) Regional Office in Surigao City to the Director of MGB, for final evaluation and approval by the DENR Secretary.

With the issuance of E.O. No. 130 on April 14, 2021 requiring all pending APSAs to be converted into Exploration Permit Applications (EXPAs), the Parent Company filed for the conversion of its pending APSAs into EXPAs denominated as EXPA No. 000249-XIII (formerly APSA No. 000006-X); EXPA No. 000250-XIII (formerly APSA No. 000007(X)); EXPA No. 000252-XIII (formerly APSA No. 000083-XIII); and EXPA No. 000269-XIII (formerly APSA No. 000107-XIII). EXPA 000252-XIII was approved and registered by the MGB on November 13, 2024 and denominated as Exploration Permit No. 000041-XIII.

The second renewal of Exploration Permit (EP) No. XIII-014-A under the name of the Parent Company was granted on April 28, 2010 valid until April 28, 2012. Prior to its expiration, an application for another renewal was filed by the Parent Company on April 20, 2012 for the purpose of completing the feasibility study, consisting of 2,176.28 has. also, in Placer, Surigao del Norte and is awaiting approval by the Director of MGB. On April 24, 2013, the Parent Company paid the amount of Php653,100 representing payment for renewal fee for EP No. XIII-014-A, pursuant to DENR Administrative Order (DAO) No. 2013-10.

On January 4, 2017, a second renewal of the two-year Exploration Period of MPSA No. 253-2007-XIII was granted by MGB to the Parent Company pursuant to the pertinent provisions of DAO No. 2010-21 providing for a Consolidated DAO for Implementing Rules and Regulations of Republic Act (RA) No. 7942, otherwise known as the "Philippine Mining Act of 1995" which represents the 5th and 6th years of the Exploration Period of the MPSA. This shall not constitute an extension of the 25-year term of MPSA No. 253-2007-XIII.

On December 5, 2017, the MGB granted the Parent Company an "Authority to Verify Minerals" which will enable the Parent Company to undertake further exploration drilling in the Mapaso Area covered by APSA-000107-XIII. The objective of this drilling program is to lift confidence in present resource estimates which is the basis of financial plans towards resumption of mining activities. The authority is valid for one year.

The Parent Company raised capital in 2022 for the purposes of resuming exploration drilling within its tenements, settlement of liabilities, and to meet other cash requirements.



On 16 March 2022, a third renewal of the two-year Exploration period of MPSA No. 253-2007-XIII was granted by the MGB, representing the fourth period. The Exploration Program focused on a significant deep-seated porphyry-type copper-gold mineralization. A total of eight holes were drilled covering a total of 12,635 meters.

On March 20, 2024, an application for the 4th renewal of the two-year Exploration period of MPSA No. 253-2007-XIII was submitted by the Parent Company to the MGB pursuant to the pertinent provisions of DAO No. 2010-21 providing for a Consolidated DAO for Implementing Rules and Regulations of Republic Act (RA) No. 7942. The 4<sup>th</sup> renewal was approved by the MGB on December 5, 2024.

*Kalayaan Copper-Gold Resources, Inc.*

Exploration drilling activities on the Kalayaan project started in 2007. On January 22, 2007, the Parent Company has initiated mining activities through an exploration program adopted during the last quarter of 2006.

On May 11, 2011, the Parent Company, KCGRI and Philex Mining Corporation (Philex), finalized an agreement for the exploration and joint development of the Kalayaan Project located in Placer, Surigao del Norte.

The Kalayaan Project, which is registered under KCGRI, is covered by EP No. XIII-014B.

Prior to the expiration of EP-XIII-014B, an application for another renewal was filed by KCGRI on April 18, 2012 for the purpose of conducting a more in-depth and detailed exploration in the area and to complete the feasibility study and is awaiting approval by the Director of MGB.

On April 18, 2017, the BOD of the Parent Company approved a two-year extension of Earn-In Period in the Farm-In Agreement (FIA) among KCGRI, the Parent Company and Philex in view of the delay in the approval of the renewal of EP No. XIII-014B. On January 8, 2019, the Parent Company agreed for another two-year extension of the Earn-in Period; the period was further extended by two years on December 17, 2020, and again for an additional two years on May 16, 2023. The new Earn-in Period is 14 years following the execution of the Farm-In Agreement and will expire on May 10, 2025.

The Parent Company's Ability to Continue as a Going Concern

As discussed in the preceding section of this note, the Parent Company is currently under exploration stage and is highly dependent on the result of continuous exploration drilling in assessing whether to ultimately develop the mine and start mining operations. Given the status of its current status, the Parent Company incurred net loss of ₱18.1 million and net loss of ₱11.3 million in 2024 and 2023, respectively, resulting in deficit of ₱192.0 million and ₱173.9 million as of December 31, 2024 and 2023, respectively. Also, the Parent Company's current liabilities exceeded its current assets by ₱206.4 million and ₱114.4 million as of December 31, 2024 and 2023, respectively.

In response to these matters, the Parent Company came up with the following actions:

- manage expenditures for its day-to-day activities
- re-open the operations in Surigao del Norte
- complete drilling program to validate the extent of the mineral resource and come up with an ore reserve estimate
- undertake a feasibility study which would prescribe a commercially viable operation
- obtain financial support through advances from a stockholder for the development of the mine, establishment of a mill and ancillary facilities



Management has determined that the actions above are sufficient to raise financial resources for at least the next twelve months from December 31, 2024 and has therefore prepared the financial statements on a going concern basis.

Authorization for the Issuance of the Parent Company Financial Statements

The Parent Company's BOD has delegated the authority to approve the financial statements to the Audit Committee. Accordingly, the financial statements were authorized for issuance by the Parent Company's Audit Committee on April 29, 2025.

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

Basis of Preparation

The Parent Company's financial statements have been prepared using the historical cost basis, except for financial assets designated at fair value through other comprehensive income (FVOCI), which have been measured at fair value. The 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. The financial statements provide comparative information in respect of the previous period.

Statement of Compliance

The parent company's financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Changes in Accounting Policies

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 which became effective in 2024. The Parent Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

- Amendments to Philippine Accounting Standards (PAS) 1, *Classification of Liabilities as Current or Noncurrent*

The amendments clarify:

- That only covenants with which an entity must comply on or before financial reporting date will affect a liability's classification as current or noncurrent.
  - 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*
  - Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*



#### Standards Issued but not yet Effective

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

##### *Effective beginning on or after January 1, 2025*

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

##### *Effective beginning on or after January 1, 2026*

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards - Volume 11
  - Amendments to PAS 7, *Cost Method*
  - 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"*

##### *Effective beginning on or after January 1, 2027*

- PFRS 18, *Presentation and Disclosure in Financial Statements*  
The standard replaces PAS 1, *Presentation of Financial Statements* and responds to investors' demand for better information about companies' financial performance. The new requirements include:
  - Required totals, subtotals and new categories in the statement of comprehensive income
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation
- PFRS 19, *Subsidiaries without Public Accountability*

##### *Deferred effectivity*

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

The revised, amended and additional disclosures or accounting changes provided by the standards and interpretations will be included in the financial statements of the Parent Company in the year of adoption, if applicable.

#### Material Accounting Policy Information

##### Presentation of Financial Statements

The Parent Company has elected to present all items of recognized income and expense in a single parent company statements of comprehensive income.

##### Current versus Noncurrent Classification

The Parent Company presents assets and liabilities in statement of financial position based on current/noncurrent classification.



An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the financial reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the financial reporting period.

The Parent Company classifies all other assets as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the financial reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the financial reporting period.

The Parent Company classifies all other liabilities as noncurrent.

#### Cash

Cash includes cash on hand and in banks. Cash in banks is stated at face value and earns interest at respective bank deposit rates.

#### Financial Instruments

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, FVOCI, and fair value through profit or loss (FVPL).

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

In order for cash and receivables 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) criterion. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Parent Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. For equity instruments, these are classified and measured at FVOCI.

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 Parent Company commits to purchase or sell the asset.

##### *Subsequent Measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:



- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

*Financial Assets at Amortized Cost (Debt Instruments)*

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI criterion

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

The Parent Company's financial assets at amortized cost pertains to cash, receivables, contract deposits under 'Prepayments and other current assets', and mine rehabilitation fund (MRF) under 'Other noncurrent assets'.

*Financial Assets Designated at FVOCI (Equity Instruments)*

Upon initial recognition, the Parent Company 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 parent company statement of comprehensive income when the right of payment has been established, except when the Parent Company 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.

The Parent Company elected to classify under this category, its quoted and unquoted equity shares under 'Financial assets designated at FVOCI'.

*Financial Assets at FVPL*

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the parent company statement of financial position at fair value with net changes in fair value recognized in the parent company statement of comprehensive income.



The Parent Company has no financial assets under this category.

#### *Impairment*

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

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

For cash, the Parent Company applies the low credit risk simplification. At every reporting date, the Parent Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Parent Company reassesses the internal credit rating of the debt instrument. In addition, the Parent Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Parent Company considers a financial asset in default when contractual payments are 90 days past due. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### *Financial Liabilities*

##### *Initial Recognition and Measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL or amortized cost.

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

The Parent Company's financial liabilities is composed of accounts payable and accrued expenses which are classified as financial liabilities at amortized cost. The Parent Company has no financial liabilities at FVPL.

##### *Subsequent Measurement*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as interest expense in the parent company statement of comprehensive income. This category generally applies to interest-bearing loans and borrowings.





### Derecognition of Financial Instruments

#### *Financial Assets*

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

- the rights to receive cash flows from the asset have expired; or
- the Parent Company has transferred its rights to receive cash flows from the asset or has assumed obligation to pay the received cash flow in full without material delay to a third person under a 'pass-through' arrangement; or
- the Parent Company has transferred its right to receive cash flows from the asset and either (a) the Parent Company has transferred substantially all the risks and rewards of the asset, or (b) the Parent Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Parent Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Parent Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Parent Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Parent Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Parent Company could be required to repay.

#### *Financial Liabilities*

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the parent company statement of comprehensive income. The difference in the respective carrying amount is recognized in the parent company statement of comprehensive income.

### Offsetting Financial Instruments

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

### Fair Value Measurement

The Parent Company measures financial instruments at fair value at each end of the reporting period. Also, fair values of financial instruments measured at amortized cost are disclosed in Note 21.

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 by the Parent Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Parent Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statement are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value 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 financial statements on a recurring basis, the Parent Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at each end of the reporting period.

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market close prices at the close of business on the end of the reporting period.

For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include comparison to similar investments for which market observable prices exist and discounted cash flow analysis or other valuation models.

For the purpose of fair value disclosures, the Parent Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### Inventories

Inventories consists of parts, supplies, fuel and lubricants which are stated at the lower of cost and net realizable value (NRV). Cost of parts and supplies on hand are determined at moving average. Costs of inventories comprise all costs of purchase and other costs incurred in bringing the materials and supplies to their present location and condition. NRV for parts and supplies is the value of the inventories' replacement cost. In determining the NRV, the Parent Company considers any adjustments necessary for obsolescence. Provision for losses is determined by reference to specific items of inventories.



The Parent Company determines the NRV of inventories at each reporting period. If the cost of the inventories exceeds its NRV, the asset is written down to its NRV and inventory loss is recognized in the parent company statement of comprehensive income in the period the impairment incurred. In case the NRV of the inventories increased subsequently, the NRV will increase the carrying amount of inventories but only to the extent of the inventory loss previously recognized.

#### Prepayments and Other Current Assets

The Parent Company's prepayments and other current assets include contract deposits and miscellaneous deposits. These are classified as current since the Parent Company expects to realize or consume the assets within 12 months after the end of the reporting period.

#### *Contract Deposits*

Contract deposits pertain to deposits made for future drilling services of its affiliate. These are classified as current since these are expected to be offset against future short-term billings and may be refunded upon nonperformance of services. These are recognized in the books at amounts initially paid.

#### *Miscellaneous Deposits*

Miscellaneous deposits are advance payments made to supplier of services. These are classified as current since these are expected to be offset against future short-term billings and are recognized in the books at amounts initially paid.

#### Property and Equipment

Property and equipment, except land, are carried at cost less accumulated depletion and depreciation and impairment in value, if any.

The initial cost of property and equipment comprises its purchase price or construction cost, including import duties and nonrefundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Such cost includes the cost of replacing part of such property and equipment when that cost is incurred if the recognition criteria are met.

Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance, are normally charged to expense in the period when the costs are incurred.

When a mine construction project moves into production stage, the capitalization of certain mine construction costs cease and costs are either regarded as inventory or expensed, except for costs which qualify for capitalization relating to mine site additions or improvements, underground mine development or mineable reserve development.

In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. Major maintenance and major overhaul costs that are capitalized as part of property and equipment are depreciated on a straight-line basis over the shorter of their estimated useful lives, typically the period until the next major maintenance or inspection, or the estimated useful life of the related property and equipment.

Land is recorded at cost less any impairment in value.



Depreciation is calculated using the straight-line method to allocate the cost of each asset less its residual value, if any, over its estimated useful life, as follows:

| Type of Asset                         | Estimated Useful Life in Years |
|---------------------------------------|--------------------------------|
| Machinery and equipment               | 5 to 20                        |
| Building and improvements             | 20                             |
| Furniture, office and other equipment | 5                              |

Depreciation of property and equipment begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Each part of an item of property and equipment with a cost that is significant in relation to the total cost of an item shall be depreciated separately.

Depreciation ceases when assets are fully depreciated or at earlier of the date that line item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, and the date the item is derecognized.

The assets' residual values, if any, useful lives and methods of depletion and depreciation are reviewed at each reporting period and adjusted prospectively, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Construction in-progress represents work under construction and is stated at cost. Construction in-progress is not depreciated until such time that the relevant assets are completed and available for use.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the parent company statement of comprehensive income in the year the item is derecognized.

Fully-depreciated property and equipment are maintained in the accounts until these are no longer in use.

#### Deferred Mine Exploration and Evaluation Costs

Pre-license costs are expensed in the period in which they are incurred. Once the legal right to explore has been acquired, exploration and evaluation expenditure is deferred as asset when future economic benefit is more likely than not be realized. These costs include materials and fuels used, surveying costs, drilling costs and payments made to contractors. The Parent Company capitalizes any further evaluation costs incurred to exploration and evaluation assets up to the point when a commercial reserve is established.

In evaluating if expenditures meet the criteria to be capitalized, several different sources of information are utilized. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed. Once commercial reserves are established, exploration and evaluation assets are tested for impairment and transferred to mine and mining properties. No amortization is charged during the exploration and evaluation phase. If the area is found to contain no commercial reserves, the accumulated costs are expensed. Mine exploration costs of mineral properties that have been in operations were capitalized as mine and mining property and are included in "Deferred Mine Exploration and Evaluation Costs" account.



#### Investment in a Subsidiary

The Parent Company's investments in a subsidiary is accounted for under the cost method less any impairment losses. A subsidiary is an entity that is controlled by another entity. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Cost method is a method of accounting for an investment whereby the investment is recognized at cost. The investor recognizes income from the investment only to the extent that the investor receives distributions from accumulated profits of the investee arising after the date of acquisition. Distribution received in excess of such profits are regarded as a recovery of investment and are recognized as a deduction of the cost of investment.

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

#### Other Noncurrent Assets

Other noncurrent assets of the Parent Company include the excess input value-added tax (VAT), prepaid royalties, advances to land owners and various deposits. These are classified as noncurrent since the Parent Company expects to utilize the assets beyond 12 months from the end of the reporting period.

#### *Input VAT*

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

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

Input VAT represents the VAT paid on purchases of applicable goods and services, net of output tax, which can be claimed for refund or recovered as tax credit against future tax liability of the Parent Company upon approval by the Bureau of Internal Revenue (BIR). Input VAT on capitalized goods exceeding ₱1,000,000 is subject to amortization and any excess may be utilized against output VAT, if any, beyond 12 months from the reporting period or can be claimed for refund or as tax credits with the BIR.

#### *Prepaid Royalties*

Prepaid royalties are advance payments to claim owners and real property taxes.

#### Impairment of Nonfinancial Assets

##### *Prepayments and Other Current Assets, and Other Noncurrent Assets*

The Parent Company provides allowance for impairment losses on prepayments and current assets, and other noncurrent assets when they can no longer be realized. The amounts and timing of recorded expenses for any period would differ if the Parent Company made different judgments or utilized different estimates. An increase in allowance for impairment losses would increase recorded expenses and decrease the nonfinancial assets.



### *Property and Equipment*

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount of an asset exceeds its recoverable amount, the asset or cash generating unit (CGU) is written down to its recoverable amount. The estimated recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction less the costs of disposal while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in the parent company statement of comprehensive income.

Recovery of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. The recovery is recorded in the parent company statement of comprehensive income. However, the increased carrying amount of an asset due to a recovery of an impairment loss is recognized only to the extent that it does not exceed the carrying amount that would have been determined (net of depletion and depreciation) had no impairment loss been recognized for that asset in prior years.

### *Deferred Mine Exploration and Evaluation Costs*

Deferred mine exploration and evaluation costs are assessed for impairment when facts and circumstances suggest that the carrying amount of the deferred mine exploration and evaluation costs may exceed its recoverable amount. An impairment review is performed, either individually or at the CGU level, 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. Exploration assets are reassessed on a regular basis and these costs are carried forward provided that at least one of the following conditions is met:

- Such costs are expected to be recouped in full through successful development and 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.

An impairment loss recognized in prior periods for an asset other than goodwill must be reversed if, and 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 this is the case, the carrying amount of the asset must be increased to its recoverable amount. However, such reversal must not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### Provisions

#### *General*

Provisions are recognized when the Parent Company has a present obligation (legal and constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are made by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability.



Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense in the parent company statement of comprehensive income.

When the Parent Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the receipt of the reimbursement is virtually certain. The expense relating to any provision is presented in the parent company statement of comprehensive income, net of any reimbursement.

#### Capital Stock and Additional Paid-In Capital (APIC)

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in the parent company statement of changes in equity as a deduction from proceeds. The excess of proceeds from issuance of shares over the par value of shares are credited to APIC.

Subscribed capital stock is reported in equity less the related subscription receivable.

#### *Stock Issuance Costs*

Stock issuance costs represent amounts paid for legal, consulting, and other offering expenses in conjunction with the raising of additional capital performed during the year. These costs are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

#### Deficit

Deficit represents accumulated losses of the Parent Company, dividend distributions, prior period adjustments, effects of changes in accounting policy and other capital adjustments.

#### Share-based Payments

The Parent Company has equity-settled, share-based compensation plans with its officers and employees.

#### *Stock Option Plan*

The Parent Company has stock option plan which allows the grantees to purchase the Parent Company's shares. The Parent Company recognizes stock compensation expense over the holding period. The Parent Company treats its stock option plan as option exercisable within a given period. Dividends paid on the awards that have vested are deducted from equity and those paid on awards that are unvested are charged to profit or loss. For the unsubscribed shares where the grantees still have the option to subscribe in the future, these are accounted for as options.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

#### Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits associated with the transaction will flow to the Parent Company and the amount of revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

#### *Interest Income*

Interest income is recognized as it accrues using EIR method.

#### *Other Income(Charges)*

Other income(charges) is recognized when earned or incurred.



### Other Comprehensive Income

Other comprehensive income comprises items of income and expense (including items previously presented under the parent company statement of changes in equity) that are not recognized in the profit or loss for the year in accordance with PFRS Accounting Standards.

### Costs and Expenses

Cost and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Administrative and overhead costs are generally recognized when the service is used or as the expense arises.

### Leases

The Parent Company assesses at contract inception, all arrangements to determine whether they are, or contain, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Parent Company is not a lessor in any transactions, it is only a lessee.

#### *Parent Company as a Lessee*

The Parent Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Parent Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### *Leases of Low-value assets*

The Parent Company elects to apply the low-value assets recognition exemption to lease of office space that is considered to be of low value. Lease payments on leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

### Employee Benefits

The net defined retirement benefits liability 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 retirement benefits liability
- Re-measurements of net defined retirement benefits liability

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in parent company statement of comprehensive 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 retirement benefits liability is the change during the period in the net defined retirement benefits liability that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined retirement benefits liability or asset. Net interest on the net defined retirement benefits liability or asset is recognized as expense or income in parent company statement of comprehensive income.





Re-measurements, comprising actuarial gains and losses, are recognized immediately in OCI in the period in which they arise. Re-measurements are not reclassified to parent company statement of comprehensive income in subsequent periods.

The Parent Company's right to be reimbursed of some or all of the expenditure required to settle a defined retirement benefits liability is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

#### *Termination Benefit*

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

#### *Employee Leave Entitlement*

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before 12 months after the end of the annual reporting period is recognized for services rendered by employees up to the end of reporting period.

#### Foreign Currency Transactions

Transactions in foreign currencies are recorded using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated using the closing rate at the reporting period. Foreign exchange differences between rate at transaction date and rate at settlement date or at each reporting period are credited to or charged against the parent company statement of comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

#### Income Taxes

##### *Current Income Tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as at reporting period.

##### *Deferred Tax*

Deferred tax is provided using the balance sheet 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 tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss; and



- in respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carryforward benefits of unused tax credits and unused net tax losses, to the extent that it is probable that sufficient future taxable income will be available against which the deductible temporary differences, and carryforward benefits of unused tax credits and unused tax losses can be utilized except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and sufficient future taxable income will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date 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 tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that sufficient future taxable income will all or in part allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

Deferred tax relating to items recognized outside the parent company statement of comprehensive income, are recognized in correlation to the underlying transaction, either in OCI or directly in equity.

#### Earnings (Loss) Per Share

Earnings (loss) per share amounts are calculated by dividing the net earnings (loss) attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding, adjusted for any stock dividends declared during the year.

Diluted earnings (loss) per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary 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 the dilutive ordinary shares into ordinary shares.

#### Contingencies

Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the parent company financial statements but are disclosed when an inflow of economic benefits is probable.



#### Events After the End of the Reporting Period

Events after the end of the reporting period that provide additional information about the Parent Company's position at the end of the reporting period (adjusting events) are reflected in the financial statements. Events after the end of the reporting period that are not adjusting events are disclosed in the notes to parent company financial statements when material.

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### **3. Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the Parent Company financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses, and the disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the judgments assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the parent company financial statements as they become reasonably determinable.

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

#### Judgments

In the process of applying the Parent Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the parent company financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

#### *Use of Going Concern Assumption*

The underlying assumption in the preparation of the accompanying parent company financial statements is that the Parent Company has the ability to continue as a going concern for at least the next 12 months from December 31, 2024. The use of the going concern assumption involves management making significant judgments, at a particular point in time, about the future outcome of events or conditions that are inherently uncertain which include, but are not limited to, forecasted level of exploration/drilling expenditures, operating costs, cash flows and the other potential sources of financing including financial support through advances from a stockholder. Management has assessed that the steps undertaken or will be undertaken to manage financing plans, complete drilling program, undertake a feasibility study and obtain financial support through advances from a stockholder for the development of the mine, among others, as disclosed in Note 1, are feasible to support its going concern assumption. Accordingly, the accompanying financial statements have been prepared on a going concern basis of accounting.

#### *Assessing Recoverability of Deferred Mine Exploration and Evaluation Costs*

Cost related to exploration activities are capitalized as deferred mine exploration and evaluation costs until the viability of the exploration project is determined. Exploration, evaluation and pre-feasibility costs are charged to operations until such time that it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized. The Parent Company reviews the carrying values of its mineral property interests whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts. Deferred mine exploration and evaluation costs amounted to ₱3,396,261,275 and ₱3,310,769,548 as at December 31, 2024 and 2023, respectively (see Note 11).



### Estimates and Assumptions

The Parent Company's financial statements prepared in accordance with PFRS Accounting Standards require management to make estimates and assumptions that affect amounts reported in the parent company financial statements and related notes. The estimates and assumptions used in the parent company financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the parent company financial statements. Actual results could differ from such estimates.

### *Estimating Impairment of Input VAT*

The Parent Company assesses impairment on its input VAT whenever events or changes in circumstances indicate that the carrying amount of input VAT may not be recovered. As at December 31, 2024 and 2023, carrying values of input VAT amounted to ₱18,981,458 and ₱27,023,476, respectively (see Note 12).

Provision for impairment losses on input VAT amounted to ₱10,870,461 and ₱41,185 in 2024 and 2023, respectively (see Notes 12 and 16).

### *Estimating Realizability of Deferred Tax Assets*

The Parent Company reviews the carrying amounts of deferred tax assets at the reporting period and reduces the amounts 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 tax assets to be utilized.

The Parent Company has recognized deferred tax assets amounting to ₱59,199,758 and ₱58,857,981 as at December 31, 2024 and 2023, respectively. No deferred tax assets were recognized for temporary differences amounting to ₱171,250,813 and ₱153,731,513 as at December 31, 2024 and 2023, respectively, since management believes that there is no assurance that the Parent Company will generate sufficient future taxable income to allow all or part of its deferred tax assets to be utilized (see Note 18).

### *Determining Retirement Benefits Obligation*

The determination of the Parent Company's obligation and cost for retirement and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. These assumptions are described in Note 17 to the parent company financial statements. Retirement benefits cost amounted to ₱484,898 and ₱452,317 in 2024 and 2023, respectively. Retirement benefits obligation amounted to ₱3,926,030 and ₱3,902,814 as at December 31, 2024 and 2023, respectively (see Note 17).

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## 4. Cash

|               | 2024              | 2023        |
|---------------|-------------------|-------------|
| Cash on hand  | <b>₱245,520</b>   | ₱866,219    |
| Cash in banks | <b>3,110,250</b>  | 15,129,329  |
|               | <b>₱3,355,770</b> | ₱15,995,548 |

Cash in banks earn interest at the respective bank deposit rates. Total interest income earned amounted to ₱1,152 and ₱15,649 in 2024 and 2023, respectively.

The Parent Company has United States Dollar (US\$)-denominated cash in bank amounted to US\$6,169 and US\$6,165 as at December 31, 2024 and 2023, while US\$-denominated cash on hand amounted to nil as at December 31, 2024 and 2023.



## 5. Receivables

|                                           | 2024        | 2023        |
|-------------------------------------------|-------------|-------------|
| Stock options receivable                  | ₱9,780,000  | ₱9,780,000  |
| Nontrade receivables                      | 21,485,285  | 21,982,345  |
| Advances                                  | 83,200      | 83,200      |
|                                           | 31,348,485  | 31,845,545  |
| Less allowance for expected credit losses | 10,859,666  | 10,859,666  |
|                                           | ₱20,488,819 | ₱20,985,879 |

Stock options receivables are noninterest bearing receivables from employees in respect of stock options exercise under a share-based plan (see Note 23c).

Nontrade receivables which is noninterest bearing comprise mainly of receivables from subcontractors and other third parties. Nontrade receivables are collectible on demand.

Based on the assessment by management, the Parent Company recognized an allowance for expected credit losses on specifically identified credit-impaired accounts amounting to ₱10,859,666 as at December 31, 2024 and 2023. Receivables which were not individually significant and receivables which were individually significant for which no specific impairment were recognized were assessed and were subject to 12- month ECL and lifetime ECL, respectively. An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12 months ECL.

Based on the assessment done by management, the Parent Company has not recognized any provision for receivables for both 2024 and 2023.

## 6. Inventories

|                                | 2024       | 2023       |
|--------------------------------|------------|------------|
| At NRV:                        |            |            |
| Machinery and automotive parts | ₱4,936,455 | ₱6,799,669 |
| At cost:                       |            |            |
| Fuel, oil and lubricants       | 212,159    | 371,840    |
|                                | ₱5,148,614 | ₱7,171,509 |

Cost of inventories carried at NRV are as follows:

|                                             | 2024        | 2023        |
|---------------------------------------------|-------------|-------------|
| Mill materials, hardware and other supplies | ₱55,221,970 | ₱57,085,184 |
| Machinery and automotive parts              | 19,362,009  | 19,362,009  |
|                                             | ₱74,583,979 | ₱76,447,193 |

Movements of allowance for inventory losses in 2024 and 2023 are as follows:

|                   | 2024        | 2023        |
|-------------------|-------------|-------------|
| Beginning balance | ₱69,647,524 | ₱69,651,293 |
| Reversal          | —           | (3,769)     |
| Ending balance    | ₱69,647,524 | ₱69,647,524 |

Provisions for inventory losses amounted to nil in 2024 and nil in 2023 (see Note 16).



## 7. Prepayments and Other Current Assets

|                        | 2024               | 2023        |
|------------------------|--------------------|-------------|
| Contract deposits      | <b>₱13,003,192</b> | ₱13,003,192 |
| Miscellaneous deposits | <b>30,067,573</b>  | 17,432,225  |
| Prepaid insurance      | <b>18,231</b>      | 936,222     |
| Others                 | <b>62,962</b>      | 62,962      |
|                        | <b>₱43,151,958</b> | ₱31,434,601 |

Contract deposits pertain to deposits made for future drilling services of its affiliate, Diamond Drilling Corporation of the Philippines (DDCP), which amounted to ₱12,649,531. This is refundable upon nonperformance of services (see Note 14). Contract deposits also include deferred charges for various equipment and other charges.

Miscellaneous deposits pertain to down payments made to building and civil works contractors and supplier of equipment and supplies related to the construction. It also includes deposits on gas cylinder containers which will be refunded after return of said containers.

Prepaid insurance pertains to the payments made to insure transportation equipment.

Others pertain to the balance of garnished bank accounts due to a litigation that the Parent Company is indirectly a party of.

## 8. Financial Assets Designated at FVOCI

|                      | 2024              | 2023       |
|----------------------|-------------------|------------|
| Quoted instruments   | <b>₱5,215,706</b> | ₱6,227,709 |
| Unquoted instruments | <b>2,118,145</b>  | 2,118,145  |
|                      | <b>₱7,333,851</b> | ₱8,345,854 |

Quoted instruments pertain to investment on common shares of LCMC. These equity instruments pertain to Lepanto A shares totaling to 77,846,363 as of December 31, 2024 and 2023. The fair value on the quoted instrument is based on the exit market price of ₱0.07 and ₱0.08 at December 31, 2024 and 2023, respectively.

Unquoted instruments pertain to investment in private company. These unquoted financial instruments pertain to Manila Peninsula shares totaling to 750,000 as at December 31, 2024 and 2023.

As at December 31, 2024 and 2023, the Parent Company has no intention to dispose its unquoted instruments.

Movement of financial assets designated at FVOCI in 2024 and 2023 is as follows:

|                                                              | 2024               | 2023        |
|--------------------------------------------------------------|--------------------|-------------|
| Balances at beginning of year                                | <b>₱8,345,854</b>  | ₱10,603,399 |
| Change in fair value of financial assets designated at FVOCI | <b>(1,012,003)</b> | (2,257,545) |
| Balances at end of year                                      | <b>₱7,333,851</b>  | ₱8,345,854  |



Movement in the “Fair value reserve of financial assets designated at FVOCI” presented as separate component of equity as at December 31, 2024 and 2023 follow:

|                               | 2024               | 2023        |
|-------------------------------|--------------------|-------------|
| Balances at beginning of year | <b>₱61,591,410</b> | ₱59,333,865 |
| Fair valuation loss           | <b>1,012,003</b>   | 2,257,545   |
| Balances at end of year       | <b>₱62,603,413</b> | ₱61,591,410 |

There was no dividend income earned from the quoted equity instruments in 2024 and 2023.

## 9. Investment in a Subsidiary

On December 19, 2006, the Parent Company gained 100% of the voting shares of KCGRI upon its incorporation.

On May 11, 2011, the Parent Company sold 5% investment in shares of stock or 125,000 shares, at ₱1.00 par values, of KCGRI to Philex at a purchase price of US\$25 million.

KCGRI is a corporation organized under the laws of the Republic of the Philippines and engaged in mining.

To meet the DENR-mandated (DENR Memorandum order No. 2013-1) minimum capitalization requirement of Authorized Capital Stock (ACS) and Paid-up-Capital amounting to ₱100,000,000 and ₱6,250,000, respectively, the KCGRI BOD approved on February 12, 2018 an increase in the ACS to ₱100,000,000. Philex and the Parent Company subscribed to additional capital and paid as follows:

| Shareholder | Increase (by ₱90,000,000) |                   | Total after Increase |                   |
|-------------|---------------------------|-------------------|----------------------|-------------------|
|             | Amount Subscribed         | Amount Paid-up    | Amount Subscribed    | Amount Paid-Up    |
| MMC (95%)   | ₱21,375,000               | ₱5,343,750        | ₱23,750,000          | ₱7,718,750        |
| Philex (5%) | 1,125,000                 | 281,250           | 1,250,000            | 406,250           |
|             | <b>₱22,500,000</b>        | <b>₱5,625,000</b> | <b>₱25,000,000</b>   | <b>₱8,125,000</b> |

The application for such increase and amendment of Articles of Incorporation was filed with the SEC and was properly certified and approved on September 7, 2018.

The Parent Company recognized provision for impairment loss amounting to ₱249,044 and ₱4,543,949 on its investment in subsidiary as at December 31, 2024 and 2023, respectively.

|                                    | 2024              | 2023       |
|------------------------------------|-------------------|------------|
| Beginning balance                  | <b>₱7,718,750</b> | ₱7,718,750 |
| Less allowance for impairment loss | <b>4,792,993</b>  | 4,543,949  |
| Ending balance                     | <b>₱2,925,757</b> | ₱3,174,801 |

Below is the summarized financial information of the subsidiary as at December 31, 2024:

|             | 2024              | 2023       |
|-------------|-------------------|------------|
| Assets      | <b>₱3,154,744</b> | ₱3,269,801 |
| Liabilities | <b>75,000</b>     | 105,000    |
| Equity      | <b>3,079,744</b>  | 3,164,801  |
| Net loss    | <b>(85,057)</b>   | (74,672)   |

As of December 31, 2024, KCGRI has not yet started commercial operations.



## 10. Property and Equipment

|                                         | Construction<br>In-progress | Land              | Machinery and<br>Equipment | Building and<br>Land<br>Improvements | Furniture,<br>Office<br>and Other<br>Equipment | Total               |
|-----------------------------------------|-----------------------------|-------------------|----------------------------|--------------------------------------|------------------------------------------------|---------------------|
| <b>2024</b>                             |                             |                   |                            |                                      |                                                |                     |
| <b>Cost:</b>                            |                             |                   |                            |                                      |                                                |                     |
| Balances at beginning of year           | ₱103,687,595                | ₱7,270,713        | ₱820,114,179               | ₱215,341,860                         | ₱122,148,286                                   | ₱1,268,562,633      |
| Additions                               | 2,616,885                   | —                 | —                          | —                                    | 2,170,652                                      | 4,787,537           |
| Balances at end of year                 | 106,304,480                 | 7,270,713         | 820,114,179                | 215,341,860                          | 124,318,938                                    | 1,273,350,170       |
| <b>Accumulated depreciation:</b>        |                             |                   |                            |                                      |                                                |                     |
| Balances at beginning of year           | —                           | —                 | 674,872,002                | 114,546,195                          | 117,577,486                                    | 906,995,683         |
| Depreciation                            | —                           | —                 | 436,512                    | 5,221,118                            | 2,225,404                                      | 7,883,034           |
| Balances at end of year                 | —                           | —                 | 675,308,514                | 119,767,313                          | 119,802,890                                    | 914,878,717         |
| <b>Allowance for impairment losses:</b> |                             |                   |                            |                                      |                                                |                     |
| Balances at beginning and end of year   | —                           | —                 | 143,720,880                | 18,086,096                           | 181,564                                        | 161,988,540         |
| <b>Net book values</b>                  | <b>₱106,304,480</b>         | <b>₱7,270,713</b> | <b>₱1,084,785</b>          | <b>₱77,488,451</b>                   | <b>₱4,334,484</b>                              | <b>₱196,482,913</b> |

|                                         | Construction<br>In-progress | Land              | Machinery and<br>Equipment | Building and<br>Land<br>Improvements | Furniture,<br>Office<br>and Other<br>Equipment | Total               |
|-----------------------------------------|-----------------------------|-------------------|----------------------------|--------------------------------------|------------------------------------------------|---------------------|
| <b>2023</b>                             |                             |                   |                            |                                      |                                                |                     |
| <b>Cost:</b>                            |                             |                   |                            |                                      |                                                |                     |
| Balances at beginning of year           | ₱17,583,816                 | ₱7,270,713        | ₱820,012,214               | ₱215,341,860                         | ₱120,458,204                                   | ₱1,180,666,807      |
| Additions                               | 86,103,779                  | —                 | 101,965                    | —                                    | 1,690,084                                      | 87,895,828          |
| Balances at end of year                 | 103,687,595                 | 7,270,713         | 820,114,179                | 215,341,860                          | 122,148,288                                    | 1,268,562,635       |
| <b>Accumulated depreciation:</b>        |                             |                   |                            |                                      |                                                |                     |
| Balances at beginning of year           | —                           | —                 | 674,437,190                | 109,325,077                          | 115,868,652                                    | 899,630,919         |
| Depreciation                            | —                           | —                 | 434,812                    | 5,221,118                            | 1,708,836                                      | 7,364,766           |
| Balances at end of year                 | —                           | —                 | 674,872,002                | 114,546,195                          | 117,577,488                                    | 906,995,685         |
| <b>Allowance for impairment losses:</b> |                             |                   |                            |                                      |                                                |                     |
| Balances at beginning and end of year   | —                           | —                 | 143,720,880                | 18,086,096                           | 181,564                                        | 161,988,540         |
| <b>Net book values</b>                  | <b>₱103,687,595</b>         | <b>₱7,270,713</b> | <b>₱1,521,297</b>          | <b>₱82,709,569</b>                   | <b>₱4,389,236</b>                              | <b>₱199,578,410</b> |





Total depreciation of property and equipment charged to operations amounted to ₱2,326,905 and ₱2,118,914 in 2024 and 2023, respectively (see Note 15). Depreciation of property and equipment amounting to ₱5,556,127 and to ₱5,245,852 were capitalized in 2024 and 2023, respectively, as part of deferred mine exploration and evaluation costs (see Note 11).

Construction in-progress pertains to the construction of corehouses to store coretrays used in the exploration activities.

## 11. Deferred Mine Exploration and Evaluation Costs

|                                    | 2024                  | 2023           |
|------------------------------------|-----------------------|----------------|
| Balance at beginning of year       | <b>₱3,310,769,548</b> | ₱3,183,541,114 |
| Additions                          | <b>79,935,597</b>     | 121,982,582    |
| Capitalized depreciation (Note 10) | <b>5,556,130</b>      | 5,245,852      |
| Balance at end of year             | <b>₱3,396,261,275</b> | ₱3,310,769,548 |

The Parent Company is undertaking exploration activities in its mining claims to explore for copper, gold, silver and other minerals within the contract area in Placer, Surigao del Norte.

As discussed in Note 1, the Parent Company has a valid and existing MPSA as at December 31, 2024. Costs incurred pertaining to the exploration activities on the tenements covered by the said permit are expected to be recovered once commercial operations resume.

## 12. Other Noncurrent Assets

|                                                   | 2024                | 2023         |
|---------------------------------------------------|---------------------|--------------|
| Input VAT                                         | <b>₱130,670,192</b> | ₱127,841,749 |
| MRF                                               | <b>5,213,619</b>    | 5,207,582    |
| Prepaid royalties                                 | <b>4,998,939</b>    | 4,998,939    |
| Advances to landowners                            | <b>1,508,344</b>    | 1,508,344    |
| Miscellaneous deposits                            | <b>2,008,183</b>    | 2,008,183    |
|                                                   | <b>144,399,277</b>  | 141,564,797  |
| Less allowance for impairment losses on input VAT | <b>111,688,734</b>  | 100,818,273  |
|                                                   | <b>₱32,710,543</b>  | ₱40,746,524  |

Input VAT represents VAT paid on purchases of goods and services which can be recovered as tax credit against future tax liability of the Parent Company upon approval by the BIR.

On November 13, 1998, the Parent Company entered into a separate Memorandum of Agreement with the Office of Municipal Mayor and Sangguniang Bayan of Placer, Surigao del Norte, DENR and MGB. Under the agreement, the Parent Company is mandated to establish and maintain a Monitoring Trust Fund and MRF amounting to ₱5,150,000 recorded as environmental fund. The funds are to be used for physical and social rehabilitation, reforestation and restoration of areas and communities affected by mining activities, for pollution control, slope stabilization and integrated community development. The environmental fund to be maintained by the Parent Company in a mutually acceptable bank is subject to annual review of the MRF committee.



MRF earn interest at the respective bank deposit rates. Total interest income amounted to ₱4,285 and ₱4,458 in 2024 and 2023, respectively.

Prepaid royalties are advance payments to claim owners and real property taxes of land where the mine site operations were located and are expensed as incurred.

Miscellaneous deposits pertain to advances made to local government agencies for pending project agreements which will be offset against future billings.

Advances to landowners pertain to advances made to certain landowners where the mine site is located for future purchases of parcels of land. The same will be deducted from the total acquisition cost of parcels of land to be purchased in the future.

Deposit receivables pertain to electric utility given to Surigao del Norte Electric Cooperative, Inc., a power supplier, in exchange for future services.

Based on the assessment done by the management, the Parent Company recognized provision for impairment losses on input VAT amounting to ₱10,870,461 and ₱41,185 in 2024 and 2023, respectively (see Note 16).

Movements in allowance for impairment losses on input VAT in 2024 and 2023 are as follows:

|                                           | 2024                | 2023         |
|-------------------------------------------|---------------------|--------------|
| Balance at beginning of year              | <b>₱100,818,273</b> | ₱100,777,088 |
| Provision for impairment losses (Note 16) | <b>10,870,461</b>   | 41,185       |
| Balance at end of year                    | <b>₱111,688,734</b> | ₱100,818,273 |

### 13. Accounts Payable, Accrued Expenses and Payable to Affiliates

|                                        | 2024                | 2023         |
|----------------------------------------|---------------------|--------------|
| Trade payables                         | <b>₱117,150,766</b> | ₱125,602,698 |
| Accrued expenses and other liabilities | <b>157,136,806</b>  | 60,245,106   |
| Due to related parties (Note 14)       | <b>2,771,844</b>    | 2,728,014    |
| Payable to government                  | <b>863,858</b>      | 833,472      |
| Unclaimed dividends                    | <b>573,097</b>      | 573,097      |
|                                        | <b>₱278,496,371</b> | ₱189,982,387 |

Terms and conditions of the aforementioned liabilities are as follows:

- Trade payable includes local purchases of equipment, inventories and various parts. This is non-interest bearing and normally settled on demand and on 30 days' terms.
- Accrued expenses include accrued payroll which are normally payable within five to 10 days and other liabilities which are non-interest bearing have an average term of one to three months.
- Payable to government pertains to the Parent Company's payables to various regulatory agencies such as payables for withholding taxes, Social Security System and Home Development and Mutual Fund premiums and PhilHealth contributions.
- Unclaimed dividends pertain to unpaid cash dividends declared by the Parent Company to its stockholders.



#### 14. Related Party Disclosures

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

The Parent Company provides cash advances to be used to pay expenses and pays expenses on behalf of its 95%-owned subsidiary, KCGRI. This is presented in the parent company statement of financial position under "Receivables".

During the year, there were no advances made from the Parent Company.

LCMC holds a 16.4% direct and indirect equity interest in the Parent Company. It provides cash advances and pays expenses on behalf of the Parent Company. This includes the rent expense amounting to ₱283,584 in 2024 and 2023, which pertains to the lease of the Parent Company's office space and penthouse (see Note 15).

DDCP, a wholly-owned subsidiary of LCMC, provides various drilling services to the Parent Company.

Shipside, Inc., a wholly-owned subsidiary of LCMC, provides hauling services to the Parent Company.

The Parent Company, in the normal course of business, enters into transactions with related parties. The statements of financial position include the following assets and liabilities resulting from the above transactions with related parties as follows:

| Related Party                           | Relationship                   | Year         | Amounts/<br>Volume | Outstanding<br>Balances    | Terms and Conditions                                                                      |
|-----------------------------------------|--------------------------------|--------------|--------------------|----------------------------|-------------------------------------------------------------------------------------------|
| <i>Contract deposits (Note 7)</i>       |                                |              |                    |                            |                                                                                           |
| DDCP                                    | Affiliate under common control | 2024<br>2023 | ₱—<br>₱—           | ₱12,649,531<br>₱12,649,531 | On demand;<br>Noninterest-bearing;<br>Refundable in cash;<br>Unsecured, no impairment     |
| <i>Due to Related Parties (Note 13)</i> |                                |              |                    |                            |                                                                                           |
| KCGRI                                   | Subsidiary                     | 2024<br>2023 | —<br>₱700,000      | ₱2,771,844<br>₱2,728,014   | On demand;<br>Noninterest-bearing;<br>To be settled in cash;<br>Unsecured, not guaranteed |
| LCMC                                    | Stockholder                    | 2024<br>2023 | —<br>—             | —<br>—                     | On demand;<br>Noninterest-bearing;<br>To be settled in cash;<br>Unsecured, not guaranteed |
| Shipside, Incorporated                  | Affiliate under common control | 2024<br>2023 | —<br>—             | —<br>—                     | On demand;<br>Noninterest-bearing;<br>To be settled in cash;<br>Unsecured, not guaranteed |
| <b>Total</b>                            |                                | <b>2024</b>  |                    | <b>₱15,421,375</b>         |                                                                                           |
| <b>Total</b>                            |                                | <b>2023</b>  |                    | <b>₱15,377,545</b>         |                                                                                           |



| Related Party                   | Relationship | Year        | Amounts/<br>Volume | Outstanding<br>Balances | Terms and Conditions                                                        |
|---------------------------------|--------------|-------------|--------------------|-------------------------|-----------------------------------------------------------------------------|
| <i>Due from related parties</i> |              |             |                    |                         |                                                                             |
| LCMC                            | Stockholder  | <b>2024</b> | <b>₱—</b>          | <b>₱20,874,865</b>      | On demand                                                                   |
|                                 |              | 2023        | ₱—                 | ₱20,905,990             | Noninterest-bearing;<br>To be settled in cash;<br>Unsecured, not guaranteed |

Total compensation of the Parent Company's key management personnel in 2024 and 2023, which pertains to short-term benefits, amounted to ₱456,950. Key management of the Parent Company are the executive officers and directors. There were no post-employment benefits for the Parent Company's key management personnel in 2024 and 2023.

#### 15. Administration and Overhead Costs

|                                          | 2024              | 2023       |
|------------------------------------------|-------------------|------------|
| Outside services                         | <b>₱2,499,162</b> | ₱1,884,816 |
| Depreciation (Note 10)                   | <b>2,326,905</b>  | 2,118,914  |
| Salaries, allowances and other benefits: |                   |            |
| Salaries and wages                       | <b>661,800</b>    | 794,515    |
| Retirement benefit cost                  | <b>249,558</b>    | 216,777    |
| Other benefits                           | <b>133,510</b>    | 173,559    |
| Listing fees                             | <b>278,920</b>    | 352,019    |
| Transportation and travel                | <b>110,075</b>    | 299,915    |
| Communications                           | <b>99,503</b>     | 42,165     |
| Rent (Note 14)                           | <b>283,584</b>    | 283,584    |
| Repairs and maintenance                  | <b>63,196</b>     | 69,361     |
| Taxes and licenses                       | <b>28,520</b>     | 22,060     |
| Representation expense                   | <b>11,824</b>     | 42,040     |
| Others                                   | <b>149,527</b>    | 293,734    |
|                                          | <b>₱6,896,084</b> | ₱6,593,459 |

Outside services pertain to contracted services, retainer's fee, audit fees and other professional services rendered to the Parent Company.

Taxes and licenses consist of documentary stamp tax and other government charges paid by the Parent Company to regulatory agencies.

Others comprise of miscellaneous expenses, ads publications & promo, legal expenses, accounting expenses & executive office expenses.

#### 16. Other Charges - net

|                                                             | 2024               | 2023       |
|-------------------------------------------------------------|--------------------|------------|
| Provision for impairment losses on investment in subsidiary | <b>₱249,044</b>    | ₱4,543,949 |
| Provision for impairment losses on input VAT                | <b>10,870,461</b>  | 41,185     |
| Unrealized forex losses                                     | <b>(15,439)</b>    | 2,335      |
|                                                             | <b>₱11,104,066</b> | ₱4,587,469 |

Provision for impairment losses on input VAT recognized pertains to input VAT recorded which are



assessed to be doubtful of its recoverability.

## 17. Retirement Benefits Obligation

The Parent Company has an unfunded defined benefit retirement plan covering substantially all regular employees. Benefits are dependent on the years of service and the respective employee's compensation. The defined retirement benefits obligation is actuarially determined using the projected unit credit method.

Under the existing regulatory framework, RA No. 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan. The amounts of retirement benefits costs recognized in the parent company statement of comprehensive income are determined as follows:

|                                 | 2024            | 2023            |
|---------------------------------|-----------------|-----------------|
| Current service costs (Note 15) | <b>₱249,558</b> | ₱216,777        |
| Interest costs                  | <b>235,340</b>  | 235,540         |
|                                 | <b>₱484,898</b> | <b>₱452,317</b> |

The amount of re-measurement loss on retirement benefits liability, net of tax, recognized in OCI follow:

|                                                             | 2024            | 2023             |
|-------------------------------------------------------------|-----------------|------------------|
| Re-measurement gain (loss) on retirement benefits liability | <b>₱361,682</b> | (₱104,756)       |
| Income tax effect                                           | <b>(90,421)</b> | 26,189           |
|                                                             | <b>₱271,261</b> | <b>(₱78,567)</b> |

The table below shows the movement analysis of the re-measurement gain or loss on retirement benefits liability as at December 31, 2024 and 2023:

|                              | 2024              | 2023              |
|------------------------------|-------------------|-------------------|
| Balance at beginning of year | <b>(₱153,308)</b> | (₱74,741)         |
| Re-measurement loss          | <b>271,261</b>    | (78,567)          |
|                              | <b>₱117,953</b>   | <b>(₱153,308)</b> |

The amounts of retirement benefits obligation recognized in the parent company statement of financial position are as follows:

|                                                   | 2024              | 2023              |
|---------------------------------------------------|-------------------|-------------------|
| Balance at beginning of year                      | <b>₱3,902,814</b> | ₱3,345,741        |
| Interest costs                                    | <b>235,540</b>    | 235,540           |
| Current service costs (Note 15)                   | <b>249,358</b>    | 216,777           |
| Retirement benefit cost charged to profit or loss | <b>484,898</b>    | 452,317           |
| Benefits paid                                     | <b>(100,000)</b>  | —                 |
| Total                                             | <b>384,898</b>    | 452,317           |
| Re-measurement loss (gain) on:                    |                   |                   |
| Change in financial assumptions                   | <b>(30,994)</b>   | 290,402           |
| Experience adjustment                             | <b>(330,688)</b>  | (185,646)         |
| Retirement benefit cost charged to OCI            | <b>(361,682)</b>  | 104,756           |
| Balance at end of year                            | <b>₱3,926,030</b> | <b>₱3,902,814</b> |



The principal assumptions used in determining retirement benefits obligations are as follows:

|                                               | 2024     | 2023     |
|-----------------------------------------------|----------|----------|
| Discount rate                                 | 6.03%    | 6.03%    |
| Salary increase rate                          | 5.00%    | 5.00%    |
| Expected remaining working lives of employees | 15 years | 15 years |

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined retirement benefits liability as at the end of the reporting period, assuming all other assumptions were held constant:

|                      | Increase<br>(decrease) | 2024       | 2023       |
|----------------------|------------------------|------------|------------|
| Discount rate        | 0.50%                  | (P135,615) | (P148,478) |
|                      | (0.50%)                | 144,429    | 158,558    |
| Salary increase rate | 0.50%                  | 138,661    | 152,019    |
|                      | (0.50%)                | (131,439)  | (143,728)  |

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31, 2024:

|                                  |                    |
|----------------------------------|--------------------|
| Less than one year               | P139,929           |
| More than one year to five years | 2,368,708          |
| More than five years to 10 years | 2,739,022          |
| More than 10 years to 15 years   | 3,252,925          |
| More than 15 years to 20 years   | 2,220,811          |
| More than 20 years               | 9,435,524          |
|                                  | <b>P20,156,919</b> |

The latest actuarial report was made as at December 31, 2024.

## 18. Income Taxes

No provision for current income tax has been recognized since the Parent Company is in a gross and net taxable loss position.

A reconciliation of income tax applicable to loss before income tax at the statutory income tax rates to provision for (benefit from) income tax shown in the parent company statement of comprehensive income follows:

|                                                         | 2024             | 2023              |
|---------------------------------------------------------|------------------|-------------------|
| Loss at statutory tax rate                              | (P4,557,513)     | (P2,850,205)      |
| Additions to (reductions in) income tax resulting from: |                  |                   |
| Change in unrecognized deferred tax assets              | 4,468,028        | 2,733,126         |
| Interest income subjected to final tax                  | (1,359)          | (3,912)           |
|                                                         | <b>(P90,844)</b> | <b>(P120,991)</b> |



The components of the deferred tax liability as at December 31, 2024 and 2023 are as follows:

|                                              | 2024               | 2023        |
|----------------------------------------------|--------------------|-------------|
| Deferred tax assets:                         |                    |             |
| <i>Recognized directly in profit or loss</i> |                    |             |
| Allowance for:                               |                    |             |
| Impairment losses on property and equipment  | <b>₱40,497,135</b> | ₱40,497,135 |
| Inventory losses                             | <b>17,411,881</b>  | 17,412,823  |
| Expected credit losses on receivables        | <b>269,917</b>     | 269,917     |
| Retirement benefits obligation               | <b>1,020,825</b>   | 678,106     |
|                                              | <b>59,199,758</b>  | 58,857,981  |
| Deferred tax liabilities:                    |                    |             |
| <i>Recognized directly in profit or loss</i> |                    |             |
| Excess of allowable depletion over depletion |                    |             |
| per books                                    | <b>108,221,272</b> | 108,221,272 |
| Unrealized foreign exchange gain             | <b>3,860</b>       | (578)       |
| <i>Recognized directly in OCI</i>            |                    |             |
| Retirement benefits obligation               | <b>39,318</b>      | (297,598)   |
|                                              | <b>108,264,450</b> | 107,923,096 |
| Deferred tax liabilities - net               | <b>₱49,064,692</b> | ₱49,065,115 |

Deferred tax liability is mainly provided on taxable temporary differences arising on the difference between normal depletion and allowed depletion under Presidential Decree 1353, Amending Section 30 of the Tax Code to Allow Accelerated Deduction under Certain Conditions of Exploration and Development Expenditures.

The following are the movements in the Parent Company's NOLCO for the years ended December 31:

|                              | 2024               | 2023        |
|------------------------------|--------------------|-------------|
| Balance at beginning of year | <b>₱38,589,291</b> | ₱32,241,930 |
| Additions                    | <b>6,648,838</b>   | 6,347,361   |
| Balance at end of year       | <b>₱45,238,129</b> | ₱38,589,291 |

No deferred tax assets were recognized for the following temporary differences since management expects that it is not probable that sufficient future taxable income will be available to allow all or part of these deferred tax assets to be utilized.

|                                                 | 2024                | 2023         |
|-------------------------------------------------|---------------------|--------------|
| Allowance for impairment losses on input VAT    |                     |              |
| (Note 11)                                       | <b>₱111,688,734</b> | ₱100,818,273 |
| NOLCO                                           | <b>45,238,129</b>   | 38,589,291   |
| Allowance on impairment losses on investment in |                     |              |
| subsidiary                                      | <b>4,543,949</b>    | 4,543,949    |
| Provision for ECL on receivables (Note 5)       | <b>9,780,000</b>    | 9,780,000    |
|                                                 | <b>₱171,250,812</b> | ₱153,731,513 |



As of December 31, 2022, the Parent Company has incurred NOLCO in taxable years 2020 and 2021 which can be claimed as deduction from the regular taxable income for the next five consecutive taxable years pursuant to the Bayanihan to Recover As One Act. However, the NOLCO incurred in 2022 can only be carried over as a deduction from gross income for the next three consecutive taxable years. The extension to five years is no longer applicable.

| Year Incurred | Availment Period | Amount      | NOLCO Applied Previous Years | NOLCO Expired | NOLCO Applied Current Year | NOLCO Unapplied |
|---------------|------------------|-------------|------------------------------|---------------|----------------------------|-----------------|
| 2020          | 2021-2025        | ₱5,339,426  | ₱—                           | ₱—            | ₱—                         | ₱5,339,426      |
| 2021          | 2022-2026        | 5,184,456   | —                            | —             | —                          | 5,184,456       |
| 2022          | 2023-2025        | 21,718,048  | —                            | —             | —                          | 21,718,048      |
| 2023          | 2024-2026        | 6,347,361   | —                            | —             | —                          | 6,347,361       |
| 2024          | 2024-2027        | 6,648,838   | —                            | —             | —                          | 6,648,838       |
|               |                  | ₱45,238,129 | ₱—                           | ₱—            | ₱—                         | ₱45,238,129     |

#### *Pillar Two Model Rules*

Pillar Two legislation has not yet been enacted or substantively enacted in the Philippines. Further, the Parent Company has no revenues yet. As such, this does not apply yet to the Parent Company.

## 19. Equity

As at December 31, 2024 and 2023, details of the Parent Company's capital stock follow:

|                                    | No. of shares   | Amount         |
|------------------------------------|-----------------|----------------|
| Issued and outstanding             |                 |                |
| Class "A"                          | 186,639,162,002 | ₱1,866,391,620 |
| Class "B"                          | 124,334,239,342 | 1,243,342,393  |
|                                    | 310,973,401,344 | 3,109,734,013  |
| Subscribed                         |                 |                |
| Class "A"                          | 316,141,644     | ₱3,161,416     |
| Class "B"                          | 214,603,455     | 2,146,035      |
|                                    | 530,745,099     | 5,307,451      |
| Total shares issued and subscribed | 311,504,146,443 | 3,115,041,464  |
| Less subscriptions receivable      | —               | 365,632        |
|                                    | 311,504,146,443 | ₱3,114,675,832 |

In April 2010, the Parent Company offered to its shareholders as of record date of March 10, 2010, the right to subscribe to one share for every eight shares held, at an offer price of ₱0.015 per share, covering 22,375,540,151 common shares consisting of 13,429,141,954 Class "A" shares and 8,946,398,197 Class "B" shares. Total capital stock issued and subscribed from the stock rights offering amounted to ₱330,659,280, net of transaction costs. Proceeds from the issuance of stock rights were used to settle debts and fund exploration projects.

On June 8, 2010, the SEC approved the increase in authorized capital stock to 260 billion shares at par value of ₱0.01 per share divided into 156 billion Class "A" and 104 billion Class "B" shares.

On April 30, 2014, the PSE BOD approved the application covering the Offer Shares of 56,926,927,347 at an offer price of ₱0.012 per share, raising a total of ₱683,123,128. The offer period was from June 16, 2014 to June 20, 2014.





Proceeds from the issuance of stock rights were used to fund the drilling program for the period 2014 to 2015, settlement of debts to suppliers, service providers, and to fund the Parent Company's working capital.

Only Philippine nationals are qualified to acquire, own or hold Class "A" common shares of stock of the Parent Company. The total number of Class "B" common shares of stock subscribed, issued or outstanding at any given time shall in no case exceed two-thirds of the number of Class "A" common shares of stock or 40% of the aggregate number of Class "A" and Class "B" common shares of stock then subscribed, issued or outstanding. Each common share entitles the holder to one vote, enjoys full dividend and pre-emptive rights.

At the annual stockholders' meeting on August 17, 2021, the stockholders approved the Board of Directors' recommendation to increase the Parent Company's authorized capital stock from ₱2.6 billion to ₱4.6 billion. After the said stockholders' meeting, the Board of Directors approved an offer to shareholders of 1 share for every 5 shares held at ₱0.01 per share to support the increase in the Parent Company's authorized capital stock to ₱4.6 billion. The proceeds of the offer, amounting to ₱519 million, will be utilized to fund the Parent Company's exploration program, administration costs, and settle trade payables and accruals. The Offer Period will be from May 16-20, 2022.

At the regular board meeting on November 10, 2022, the Senior Vice President and Treasurer advised that the Parent Company successfully completed its 1:5 stock rights offering (SRO) and the same was fully subscribed. Accordingly, the cash assets of the Parent Company increased significantly; payables decreased significantly as well as some accounts were settled out of the SRO proceeds. As of December 31, 2023, the Parent Company was able to collect ₱154,355,954 from these proceeds.

The transaction costs incurred from the Parent Company's issuance of its own equity instruments includes registration and other regulatory fees. During December 31, 2024 and 2023, issuance costs amounting to nil and ₱199,340, respectively, were netted against APIC as a cost of stock issued.

The Parent Company has 4,127 and 4,131 stockholders as at December 31, 2024 and 2023, respectively.

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## 20. Income (Loss) Per Share

Basic income (loss) per share is calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of common shares in issue during the period.

There were no outstanding stock options as of December 31, 2024 and 2023.

|                                                                                  | 2024            | 2023            |
|----------------------------------------------------------------------------------|-----------------|-----------------|
| Net loss                                                                         | (₱17,970,971)   | (₱6,806,816)    |
| Weighted average number of common shares for<br>basic and diluted loss per share | 310,973,401,344 | 310,973,401,344 |
| Basic and diluted income (loss) per share                                        | (₱0.00006)      | (₱0.00004)      |



## 21. Financial Risk Management Objectives and Policies

The Parent Company's principal financial instruments comprise cash and accounts payable and accrued expenses. The main purpose of the financial instruments is to fund the Parent Company's operations. The Parent Company has other financial instruments such as receivables, financial assets designated at FVOCI and nontrade payables which arise directly from operations. The main risks arising from the use of financial instruments are credit risk, market risk and liquidity risk.

The Parent Company's BOD reviews and approves the policies for managing each of these risks and they are summarized below.

### Credit Risk

Credit risk represents the loss that the Parent Company would incur if a counterparty failed to perform its contractual obligations. The Parent Company trades only with recognized and creditworthy third parties. It is the Parent Company's policy that all credit is subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

The credit risk arising from these financial assets arises from default of the counterparty, with maximum exposure equal to the carrying amount of these instruments. The Parent Company's gross maximum exposure to credit risk is equivalent to the carrying values since there are no collateral agreements on these financial assets.

The table on the next page shows the gross maximum exposure to credit risk without consideration to collateral or other credit enhancements for the components of the parent company statement of financial position as at December 31, 2024 and 2023.

|                                   | 2024               | 2023        |
|-----------------------------------|--------------------|-------------|
| Cash in banks                     | <b>₱3,110,250</b>  | ₱15,129,329 |
| Stock options receivable          | <b>9,780,000</b>   | 9,780,000   |
| Nontrade receivables              | <b>21,568,485</b>  | 22,065,545  |
| Contract deposits                 | <b>12,649,531</b>  | 12,649,531  |
| MRF                               | <b>5,213,619</b>   | 5,207,582   |
| <b>Total credit risk exposure</b> | <b>₱52,321,885</b> | ₱64,831,987 |

The tables below summarize the aging analysis of the Parent Company's financial assets as at December 31, 2024 and 2023:

| 2024                     |                     |           |                    |                     |                    |
|--------------------------|---------------------|-----------|--------------------|---------------------|--------------------|
|                          | General Approach    |           |                    | Simplified Approach | Total              |
|                          | Stage 1             | Stage 2   | Stage 3            |                     |                    |
| Cash in banks            | ₱ 3,110,250         | ₱—        | ₱—                 | ₱—                  | ₱3,110,250         |
| Stock options receivable | —                   | —         | 9,780,000          | —                   | 9,780,000          |
| Nontrade receivables     | 20,488,819          | —         | 1,079,666          | —                   | 21,568,485         |
| Contract deposits        | 12,649,531          | —         | —                  | —                   | 12,649,531         |
| MRF                      | 5,213,619           | —         | —                  | —                   | 5,213,619          |
|                          | <b>₱ 41,462,219</b> | <b>₱—</b> | <b>₱10,859,666</b> | <b>₱—</b>           | <b>₱52,321,885</b> |

| 2023                     |                    |           |                    |                     |                    |
|--------------------------|--------------------|-----------|--------------------|---------------------|--------------------|
|                          | General Approach   |           |                    | Simplified Approach | Total              |
|                          | Stage 1            | Stage 2   | Stage 3            |                     |                    |
| Cash in banks            | ₱15,129,329        | ₱—        | ₱—                 | ₱—                  | ₱15,129,329        |
| Stock options receivable | —                  | —         | 9,780,000          | —                   | 9,780,000          |
| Nontrade receivables     | 20,985,879         | —         | 1,079,666          | —                   | 22,065,545         |
| Contract deposits        | 12,649,531         | —         | —                  | —                   | 12,649,531         |
| MRF                      | 5,207,582          | —         | —                  | —                   | 5,207,582          |
|                          | <b>₱53,972,321</b> | <b>₱—</b> | <b>₱10,859,666</b> | <b>₱—</b>           | <b>₱64,831,987</b> |



### *General Approach*

The credit risk of financial assets under the general approach are determined to be under Stage 1. Individually impaired that were specifically determined by the Parent Company is under Stage 3 and is fully provided with ECL.

There are no significant concentrations of credit risk within the Parent.

### Market Risk

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchanges rates, commodity prices, equity prices and other market changes. The Parent Company's market risk originates from its holdings of equity instruments.

### *Equity Price Risk*

Equity price risk is the risk that the fair values of equity securities will fluctuate because of changes in the level of indices and the value of individual stocks. The Parent Company is exposed to equity securities price risk because of investments held by the Parent Company, which are classified in the parent company statement of financial position as financial assets designated at FVOCI as at December 31, 2024 and 2023. The Parent Company's exposure to equity price risk relates primarily to its financial assets designated at FVOCI in LCMC.

The Parent Company's policy is to maintain the risk to an acceptable level. Movement of share price is monitored regularly to determine impact on its parent company statement of financial position.

The effect on equity (as a result of change in fair value of equity instruments held as financial assets designated at FVOCI at December 31, 2024 and 2023) due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

|      | Market Index | Change in Variables | Effect on Equity Increase (decrease) |
|------|--------------|---------------------|--------------------------------------|
| 2024 | PSEi         | 3.43%               | ₱82,350                              |
|      |              | -3.43%              | (82,350)                             |
| 2023 | PSEi         | 1.68%               | ₱58,024                              |
|      |              | -1.68%              | (58,024)                             |

### Liquidity Risk

Liquidity risk arises when there is a shortage of funds and the Parent Company, as a consequence, could not meet its maturing obligations. The Parent Company seeks to manage its liquid funds through cash planning on a monthly basis. The Parent Company uses historical figures and experiences and forecasts from its collection and disbursement.

The Parent Company's objective is to maintain a balance between continuity of funding and flexibility through the use of advances from related parties. The Parent Company considers its available funds and its liquidity in managing its long-term financial requirements. For its short-term funding, the Parent Company's policy is to ensure that there are sufficient capital inflows to match repayments of short-term debt. As part of its liquidity risk management, the Parent Company regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities, in case any requirements arise. Fund raising activities may include bank loans and capital market issues. Accordingly, its loan maturity profile is regularly reviewed to ensure availability of funding through an adequate amount of



credit facilities with financial institutions. Also, the Parent Company only places funds in money markets which are exceeding the Parent Company's requirements. Placements are strictly made based on cash planning assumptions and covers only a short period of time.

The tables below summarize the maturity profile of the Parent Company's financial liabilities which are based on contractual undiscounted payments and financial assets which are used to manage the liquidity risk as at December 31, 2024 and 2023.

| <b>2024</b>                            | <b>On<br/>demand</b> | <b>Less than<br/>3 months</b> | <b>Total</b>        |
|----------------------------------------|----------------------|-------------------------------|---------------------|
| <b>Financial Liabilities:</b>          |                      |                               |                     |
| Accounts payable and accrued expenses* | ₱117,150,766         | ₱159,908,650                  | ₱277,064,489        |
| Unclaimed dividends                    | 573,097              | —                             | 573,097             |
| <b>Total</b>                           | <b>117,723,863</b>   | <b>159,908,650</b>            | <b>277,632,513</b>  |
| <b>Financial Assets:</b>               |                      |                               |                     |
| Cash                                   | 3,355,770            | —                             | 3,355,770           |
| Stock options receivable               | 9,780,000            | —                             | 9,780,000           |
| Nontrade receivables                   | 21,568,485           | —                             | 21,568,485          |
| Contract deposits                      | 12,649,531           | —                             | 12,649,531          |
| Financial assets designated at FVOCI   | 7,333,852            | —                             | 7,333,851           |
| <b>Total</b>                           | <b>54,687,638</b>    | <b>-</b>                      | <b>54,687,637</b>   |
| <b>Net Financial Assets</b>            | <b>₱63,036,226</b>   | <b>₱159,908,650</b>           | <b>₱222,944,876</b> |

\*excluding statutory payables amounting to ₱863,858

| <b>2023</b>                            | <b>On<br/>demand</b> | <b>Less than<br/>3 months</b> | <b>Total</b>        |
|----------------------------------------|----------------------|-------------------------------|---------------------|
| <b>Financial Liabilities:</b>          |                      |                               |                     |
| Accounts payable and accrued expenses* | ₱125,602,699         | ₱62,973,120                   | ₱188,575,819        |
| Unclaimed dividends                    | 573,097              | —                             | 573,097             |
| <b>Total</b>                           | <b>126,175,796</b>   | <b>62,973,120</b>             | <b>189,148,916</b>  |
| <b>Financial Assets:</b>               |                      |                               |                     |
| Cash                                   | 15,995,548           | —                             | 15,995,548          |
| Stock options receivable               | 9,780,000            | —                             | 9,780,000           |
| Nontrade receivables                   | 22,065,545           | —                             | 22,065,545          |
| Contract deposits                      | 12,649,531           | —                             | 12,649,531          |
| Financial assets designated at FVOCI   | 8,345,854            | —                             | 8,345,854           |
| <b>Total</b>                           | <b>68,836,478</b>    | <b>-</b>                      | <b>68,836,478</b>   |
| <b>Net Financial Liabilities</b>       | <b>₱57,339,318</b>   | <b>₱62,973,120</b>            | <b>₱120,312,438</b> |

\*excluding statutory payables amounting to ₱833,472

### Fair Values

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

#### *Cash, Receivables, Accounts Payable and Accrued Expenses*

The carrying amounts of cash, nontrade receivables, accounts payable and accrued expenses and nontrade payables, which are all subject to normal trade credit terms and are short-term in nature, approximate their fair values.



*Financial assets designated at FVOCI*

Fair values of investments are estimated by reference to their quoted market price at the reporting date. The fair value of the Parent Company's unquoted equity securities is determined using market approach. As at December 31, 2024 the Parent Company's quoted and unquoted equity securities fair value is at level 1 and level 3, respectively.

There were no transfers between level 1 and level 3 fair value measurements, and no transfers into and out of level 2 fair value measurements as at December 31, 2024 and 2023, respectively.

There were no purchases, sales, issues and settlements of level 3 financial assets designated at FVOCI in 2024 and 2023, respectively.

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## 22. Capital Management

The primary objective of the Parent Company's capital management is to ensure that the Parent Company has sufficient funds in order to support its business, pay existing obligations and maximize shareholder value.

The Parent Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Parent Company may obtain additional advances from stockholders or issue new shares. No changes were made in the objectives, policies or processes in 2022. The Parent Company has complied with all externally imposed capital requirements in 2024 and 2023.

As at December 31, 2024 and 2023, the Parent Company's capital is composed of the following:

|               | 2024                  | 2023           |
|---------------|-----------------------|----------------|
| Capital stock | <b>₱3,114,675,832</b> | ₱3,114,675,832 |
| APIC          | <b>516,206,789</b>    | 516,206,789    |
| Deficit       | <b>(192,029,827)</b>  | (173,885,545)  |
|               | <b>₱3,438,852,794</b> | ₱3,456,997,076 |

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## 23. Other Matters

- The Parent Company is either a defendant or co-defendant in certain civil and administrative cases which are now pending before the courts and other governmental bodies. In the opinion of management and the Parent Company's legal counsel, any adverse decision on these cases would not materially affect the parent company statements of financial position and parent company statements of comprehensive income as at and for the years ended December 31, 2024 and 2023.
- On July 12, 2012, EO No. 79 was released to lay out the framework for the implementation of mining reforms in the Philippines. The policy highlights several issues that includes area of coverage of mining, small-scale mining, creation of a council, transparency and accountability and reconciling the roles of the national government and local government units. Management believes that EO 79 has no major impact on its current operations since the mine is covered by an existing MPSA with the government. Section 1 of EO No. 79, provides that mining contracts approved before the effectivity of the EO shall continue to be valid, binding, and enforceable so long as they strictly comply with existing laws, rules and regulations and the terms and conditions of their grant.



As stated above, President Rodrigo R. Duterte issued EO 130 lifting the moratorium on mineral agreements on April 14, 2021.

- c) Under the share-based plan, the Parent Company's officers and employees and those of its subsidiary may be granted options to purchase shares of stock of the Parent Company. The aggregate number of shares to be granted under the plan should not exceed five percent of the total number of shares of the Parent Company's outstanding capital stock.

An individual may be granted an option to purchase not more than five percent of the total number of shares set aside at the date of the grant and may exercise the option up to a maximum of twenty percent 20% of the total number of option shares granted per year. Options are valid for five years and are exercisable from the date of the approval of the grant by the SEC.

On November 10, 2009, the BOD approved the grant of the 8th Stock Option Awards (Awards) to selected employees, directors and officers of the Parent Company in accordance with the board-approved Revised Stock Option Plan ("RSOP"). The Awards cover a total of 1,600,000,000 common shares consisting of 960,000,000 class "A" and 640,000,000 class "B" shares from the Parent Company's unissued capital stock, exercisable at the price of ₱0.02 per share, within 5 years from the date of SEC approval of the same. The option price of ₱0.02 per share was computed based on a new formula in the RSOP, that is, "the amount equivalent to 80% of the average closing price of the stock for the 10 trading days immediately preceding the date of the approval of the Grant by the BOD as determined from quotations in the PSE.

The SEC approved the Awards and the RSOP on July 9, 2010; the pertinent listing application was approved by the PSE on October 20, 2010. The stock options expired on July 8, 2015.

On November 15, 2022, the Parent Company's Stock Option Committee, as authorized by the Board of Directors and in accordance with the Revised Stock Option Plan, approved the Ninth Stock Option Awards ("Award") to selected directors, officers and employees of the Parent Company and of its affiliates, covering a total 3.6 billion common shares from unissued capital stock. The option is exercisable within 5 years, to the extent of 20% of the Award every year, from the SEC approval of the Award. The price of the option is P0.01 per share, or the par value. The Award constitutes 1.16%, more or less, of the outstanding capital stock of the Parent Company. However, the Award is still awaiting PSE approval.

There were no share-based payments made in 2024, 2023 and 2022, respectively.

- d) The non-cash investing activities arising from the capitalization of depreciation amounted to ₱5,556,130 and ₱5,245,852 in 2024 and 2023, respectively.

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#### 24. Supplementary Tax Information Required under Revenue Regulations (RR) No. 15-2010

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



a. Net sales/receipts and output VAT

The Parent Company has no sales transactions during the year.

b. Input VAT for 2024

|                                      |              |
|--------------------------------------|--------------|
| Balance at beginning of year         | ₱127,841,749 |
| Current year's purchases of          |              |
| Services lodged under other accounts | 2,828,443    |
| Balance at end of year               | ₱130,670,192 |

The Parent Company's purchases are based on actual payments; hence, may not be the same as amounts accrued in the parent company statement of comprehensive income.

c. Import Duties

The Parent Company has no locally produced or imported excisable items, landed cost of imports, custom duties and tariff fees paid or accrued as at December 31, 2024.

d. Other Taxes and Licenses for 2024

Taxes and licenses, local and national, include real estate taxes, licenses and permit fees for 2024.

*Included in administration and overhead costs:*

|                 |         |
|-----------------|---------|
| Business permit | ₱23,660 |
| Others          | 4,860   |
|                 | ₱28,520 |

*Included in deferred mine exploration and evaluation costs:*

|                           |            |
|---------------------------|------------|
| Real property tax         | ₱922,389   |
| Business permit           | 817,006    |
| Community tax certificate | 10,500     |
| Others                    | 61,015     |
|                           | ₱1,810,910 |

e. Withholding Taxes

|                                                | Paid     | Accrued  | Total    |
|------------------------------------------------|----------|----------|----------|
| Withholding taxes on compensation and benefits | ₱125,255 | ₱12,909  | ₱138,164 |
| Expanded withholding taxes                     | 198,565  | 320,748  | 519,312  |
| Total                                          | ₱323,820 | ₱333,656 | ₱657,476 |

Withholding taxes on compensation and benefits and expanded withholding taxes are included under accounts payable in the parent company statement of financial position.

f. Tax Assessments and Cases

There were no deficiency tax assessments, tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR during the year ended December 31, 2024.



## SCHEDULE I

### RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

As of December 31, 2024

#### MANILA MINING CORPORATION

20th Floor, Lepanto Building, Paseo de Roxas, Makati City

|                                                                                                                                                                   |   |                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|-----------------------|
| <b>Unappropriated Retained Earnings, beginning of reporting period</b>                                                                                            |   | <b>(P173,885,545)</b> |
| <b>Add: Category A: 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: Category B: Items that are directly debited to Unappropriated Retained Earnings</b>                                                                      |   |                       |
| Dividend declaration during the reporting period                                                                                                                  | — |                       |
| Retained Earnings appropriated during the reporting period                                                                                                        | — |                       |
| Effect of restatements or prior-period adjustments                                                                                                                | — |                       |
| Others (describe nature)                                                                                                                                          | — | —                     |
|                                                                                                                                                                   |   |                       |
| <b>Unappropriated Retained Earnings, as adjusted</b>                                                                                                              |   | <b>(173,885,545)</b>  |
| <b>Add/Less: Net Income (Loss) for the current year</b>                                                                                                           |   | <b>(18,139,209)</b>   |
|                                                                                                                                                                   |   |                       |
| <b>Less: Category C.1: 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                                                                          | — |                       |
| 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)                 | — |                       |
| Sub-total                                                                                                                                                         |   | —                     |
|                                                                                                                                                                   |   |                       |
| <b>Add: Category C.2: 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                                                                            | — |                       |
| Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)                                       | — |                       |

(Forward)



|                                                                                                                                                                                                                                                                        |                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Realized fair value gain of Investment Property                                                                                                                                                                                                                        | P—                    |
| Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)                                                                                                                        | —                     |
| Sub-total                                                                                                                                                                                                                                                              | —                     |
| <b>Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)</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)                                                                                     | —                     |
| Sub-total                                                                                                                                                                                                                                                              | —                     |
| <b>Adjusted Net Income/Loss</b>                                                                                                                                                                                                                                        | <b>(18,139,209)</b>   |
| <b>Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)</b>                                                                                                                                                        |                       |
| Depreciation on revaluation increment (after tax)                                                                                                                                                                                                                      | —                     |
| Sub-total                                                                                                                                                                                                                                                              | —                     |
| <b>Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP (see Footnote 3)</b>                                                                                                                                                                 |                       |
| Amortization of the effect of reporting relief                                                                                                                                                                                                                         | —                     |
| Total amount of reporting relief granted during the year                                                                                                                                                                                                               | —                     |
| Others (describe nature)                                                                                                                                                                                                                                               | —                     |
| Sub-total                                                                                                                                                                                                                                                              | —                     |
| <b>Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution</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                                                                                                                                                               | 337,337               |
| 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 | —                     |
| Adjustment due to deviation from PFRS/GAAP - gain (loss)                                                                                                                                                                                                               | —                     |
| Others (describe nature)                                                                                                                                                                                                                                               | —                     |
| Sub-total                                                                                                                                                                                                                                                              | 337,337               |
| <b>Total Retained Earnings, end of the reporting period available for dividend</b>                                                                                                                                                                                     | <b>(P191,687,417)</b> |