COVER SHEET

101

S.E.C. Registration Number

LEPANTO CONSOLIDATED MINING CO

(Company's Full Name)

21ST FLOOR LEPANTO BUILDING

PASEO DE ROXAS MAKATI CITY

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

ODETTE A. JAVIER

Contact Person

815-9447

Company Telephone Number

12	31	DEFINITIVE SEC IS 20	3rd Monday of April	
Month	Day	FORM TYPE	Month	Day
Fiscal Year			Annual Meeting	

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

21,487		
Total no. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = please use **black ink** for scanning purposes

Lepanto Consolidated Mining Company

22 May 2025

DIRECTOR OLIVER O. LEONARDO
Markets and Securities Regulation Department
SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue
Makati City

Re: DIS for the Annual Stockholders' Meeting on 16 June 2025

Dear Director Leonardo,

Thank you for your letter dated 16 May 2025 in relation to our Preliminary Information Statement. In compliance therewith, we are pleased to submit our Definitive Information Statement which includes the following:

1. Financial statements and MDA for the first quarter of 2025;
2. Additional statements in the 2024 MDA relating to:
    a. reason for lower metals production in 2024;
    b. reason for increase in operating development cost;
    c. income tax payable;
    d. long-term borrowings;
    e. capex in the previous year; and
    f. explanations concerning changes in the net incomes or losses of subsidiaries.;
3. Voting procedures are found on page 18 of the DIS; in the Explanation of Agenda Items in Annex "A"; and Requirements and Procedure for Voting and Participating in Annex "B";
4. Holders of 5% or more under PCD Account on page 3;
5. Appraisal and performance report for the board and the criteria and procedure for assessment is attached as Annex "D";
6. Certificates of our Independent Directors, Atty. Ray C. Espinosa and Atty. Val Antonio B. Suarez are attached as Annex 1 and 2;
7. Certification that none of the incumbent or nominated directors work with government;
8. Final list of nominees is on page 5 of the DIS;
9. Certificates of Independent Directors; and
10. Minutes of the 2024 annual stockholders' meeting.

Thank you and we trust that you will find the attached in order.

Very truly yours,

ODETTE A. JAVIER
Vice President and
Asst. Corporate Secretary

Lepanto Consolidated Mining Company

NOTICE OF 2025 ANNUAL STOCKHOLDERS' MEETING

Please be informed that the **Annual Stockholders' Meeting of Lepanto Consolidated Mining Company** will be held on **Monday, June 16, 2025 at 4:00 o'clock p.m.** The Meeting will be conducted virtually via remote access communication and the access link will be provided in the Company's website at **www.lepantomining.com**

The agenda for the Meeting will be as follows:

1. Call to Order
2. Proof of due notice of the meeting and determination of quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on June 10, 2024
4. Approval of the Annual Report
5. Election of Directors, including Independent Directors and the extension of their term
6. Appointment of External Auditor
7. Transaction of such other and further business as may properly come before the Meeting
8. Adjournment

Only stockholders of record as of May 14, 2025 are entitled to notice of, and to vote at, the Meeting. The stock and transfer book of the Company will be closed from May 14, 2025 to the close of business hours on June 16, 2025.

The Definitive Information Statement and Management Report and SEC Form 17-A and other pertinent documents are posted on the Company's website and PSE Edge. Guidelines for registration and participation in the Meeting shall likewise be posted on the Company's website.

Stockholders who intend to participate in the Meeting via remote communication should email on or before June 9, 2025 the Asst. Corporate Secretary at oaj@lepantomining.com a scanned copy of a valid government-issued identification card (ID) for registration and verification purposes. Indirect stockholders should include in their email their broker's certification of shareholding.

Stockholders may also be represented and vote at the Meeting by submitting a Proxy via email to oaj@lepantomining.com together with a government-issued ID. Hardcopies of proxies may also be submitted to the Company's principal office at the 21st Fl., Lepanto Building, 8747 Paseo de Roxas, Makati City. Proxies emailed or submitted after June 9, 2025 shall not be recorded for the Meeting.

Makati City, 6 May 2025.

HECTOR M. DE LEON, JR.
Corporate Secretary

ANNEX "A"

EXPLANATION OF AGENDA ITEMS

1. **Call to Order** – The Chairman of the Board and CEO, Mr. Felipe U. Yap, will call the meeting to order.

2. **Proof of due notice of the meeting and determination of quorum** – The Corporate Secretary, Atty. Hector R. De Leon, Jr., will certify that (a) in accordance with SEC Notice dated 12 March 2025, notice of the meeting was duly published in two newspapers of general circulation for two consecutive days at least 21 days before the meeting date; and that (b) a quorum exists for the transaction of business.

   The said published notice of the meeting advised stockholders that: (a) those who intend to participate in the meeting via remote communication should send by email on or before June 9, 2025 to the Asst. Corporate Secretary at oaj@lepantomining.com a scanned copy of a valid government-issued identification card (ID) for registration and verification purposes. An Indirect shareholder should include in the email a scanned copy of his/her broker's certification of shareholding. (b) Stockholders may also be represented and vote at the meeting by submitting a Proxy (form attached) via email to oaj@lepantomining.com together with a scanned copy of a valid government-issued ID. Hardcopies of proxies may also be submitted to the Company's principal office at the 21st Fl., Lepanto Building, 8747 Paseo de Roxas, Makati City.

   Stockholders who have successfully registered will receive an email with (a) instructions on how to access the Ballot through a secure online portal which will allow them to vote at the meeting. The Ballot gives the stockholder the option not to vote directly, but to allow the Chairman to vote all items (except the election of directors) as his/her Proxy; and (b) the ZOOM meeting link. A stockholder who participates and votes *in absentia* or by remote communication shall be deemed present for purposes of quorum.

3. **Approval of the Minutes held on June 10, 2024**

   The minutes of the previous stockholders' meeting may be accessed through the Corporation's website www.lepantomining.com. A resolution on this item requires the approval of a majority of the votes of stockholders present and eligible to vote.

4. **Approval of the Annual Report** – The Chairman will deliver a report to the stockholders on the Company's performance in 2024. The President, Mr. Bryan U. Yap, will report on the Outlook for 2025. The Chairman will then address the questions sent by the stockholders via email or through the chat facility of zoom. Then, the audited financial statements for the year ended 31 December 2024 (attached to the Information Statement and accessible through the company's website) will be presented for the approval by the stockholders. A resolution on this agenda item requires the approval of a majority of the votes of stockholders present and eligible to vote.

5. **Election of Directors including Independent Directors and the extension of their term** – The Nomination Committee received nominations for the Board of Directors, consisting of seven (7) regular and two (2) independent directors within the prescribed period and found such nominees to have all the qualifications and none of the disqualifications to serve as directors. The names of the nominees and their respective personal profiles, including directorships in listed companies, are duly indicated in the Information Statement. Election of directors will be done by plurality of votes.

   The extension of the terms of Atty. Ray C. Espinosa and Atty. Val Antonio B. Suarez as independent directors for another two years will be presented to the stockholders pursuant to SEC Memorandum Circular 4, Series of 2017.

   Each shareholder is entitled to one (1) vote per share multiplied by the number of board seats to be filled, i.e. nine (9), and may cumulate his/her votes by giving as many votes as he/she wants to any candidate provided that the total votes cast shall not exceed the total votes to which he/she is entitled.

   In the event that only nine (9) are nominated to fill the nine seats in the Board, the Chairman, unless otherwise instructed by a stockholder, may direct the Corporate Secretary to cast all votes in favor of those nominated.

6. **Appointment of External Auditor** – The Corporation's Audit Committee has recommended the re-appointment of SyCip Gorres Velayo & Co. as external auditors for the current year. A resolution on this agenda item requires the approval of a majority of the votes of stockholders present and eligible to vote.

7. **Transaction of such other and further business as may properly come before the Meeting** - Stockholders may propose to discuss other issues and matters.

8. **Adjournment** – After all matters in the agenda have been taken up, the Chairman will entertain a motion to adjourn the meeting.

ANNEX "A-1"

P R O X Y

This undersigned stockholder of **LEPANTO CONSOLIDATED MINING COMPANY** (the "Company") hereby appoints ______________________, as attorney-in-fact and proxy, to represent and vote all shares registered in his/her/its name at the Annual Meeting of Stockholders to be held on **16 June 2025 (Monday) at 04:00 p.m**. by remote communication and at any adjournments thereof for the purpose of acting on the following matters:

Unless i have indicated my preference or my votes on the issues in the form as provided below, my shares shall be voted in accordance with the recommendation of the Board of Directors or, if there is none, at the discretion of the Proxy, except in the election of directors, on which the Proxy shall vote only the number of shares i have indicated for the candidate i have chosen.

Hereunder are the matters to be taken up during the meeting. Please indicate your vote by firmly placing an "X" in the appropriate box.

1. Approval of the Minutes held on June 10, 2024	☐ Yes	☐ No	☐ Abstain
2. Approval of the Annual Report	☐ Yes	☐ No	☐ Abstain

3. Election of Directors, including the Independent Directors and the extension of their term

Vote for nominees listed below:

	No. of Votes
☐ Felipe U. Yap	________________
☐ Bryan U. Yap	________________
☐ James Almaas	________________
☐ Marilyn V. Aquino	________________
☐ Douglas John Kirwin	________________
☐ Regis V. Puno	________________
☐ Clark Lawton S. Yap	________________
Independent Directors	
☐ Ray C. Espinosa	________________
☐ Val Antonio B. Suarez	________________

4. Re-appointment of SGV & Company as External Auditor	☐ Yes	☐ No	☐ Abstain
5. Transaction of such other and further business as may properly come before the meeting.	☐ Yes	☐ No	☐ Abstain

IF THE STOCKHOLDER IS A CORPORATION, A SECRETARY'S CERTIFICATE QUOTING THE BOARD RESOLUTION AUTHORIZING THE CORPORATE OFFICER WHO SIGNED THIS PROXY MUST BE SUBMITTED TO THE CORPORATE SECRETARY AT oaj@lepantomining.com.

A STOCKHOLDER GIVING A PROXY HAS THE POWER TO REVOKE IT ANY TIME BEFORE THE RIGHT GRANTED IS EXERCISED. A PROXY IS CONSIDERED REVOKED IF THE STOCKHOLDER REGISTERS ON THE VOTING IN ABSENTIA & SHAREHOLDER (VISH) SYSTEM AND/OR NOTIFIES THE COMPANY BY EMAIL BY JUNE 9, 2025 OF HIS INTENTION TO PARTICIPATE IN THE MEETING BY REMOTE COMMUNICATION.

STOCKHOLDERS PARTICIPATING BY REMOTE COMMUNICATION WILL NOT BE ABLE TO VOTE UNLESS THEY REGISTER IN THE VISH SYSTEM OR AUTHORIZE THE CHAIRMAN TO VOTE AS PROXY, ON OR BEFORE 9 JUNE 2025.

A SCANNED COPY OF THIS PROXY SHOULD BE SENT TO THE CORPORATE SECRETARY AT oaj@lepantomining.com **ON OR BEFORE 9 JUNE 2025 WHICH IS THE DEADLINE FOR SUBMISSION OF PROXIES.**

____
(Stockholder)

By: ____
Signature over printed name

ANNEX "A-2"

ONLINE BALLOT

Email Address: ______________________

1.	Approval of the Minutes of the Annual Stockholders' Meeting held on June 10, 2024	☐ Yes	☐ No	☐ Abstain
2.	Approval of the Annual Report	☐ Yes	☐ No	☐ Abstain

3. Election of Directors, including the Independent Directors and the extension of their term

Vote for nominees listed below:

	Nominee	No. of Votes
☐	Felipe U. Yap	________
☐	Bryan U. Yap	________
☐	James Almaas	________
☐	Marilyn V. Aquino	________
☐	Douglas John Kirwin	________
☐	Regis V. Puno	________
☐	Clark Lawton S. Yap	________
	Independent Directors	
☐	Ray C. Espinosa	________
☐	Val Antonio B. Suarez	________

4.	Re-appointment of SGV & Co. as External Auditor	☐ Yes	☐ No	☐ Abstain
5.	Transaction of such other and further business as may properly come before the meeting.	☐ Yes	☐ No	☐ Abstain

☐ I OPT NOT TO VOTE DIRECTLY AND INSTEAD APPOINT THE CHAIRMAN AS MY PROXY TO VOTE ON ALL MATTERS EXCEPT IN RESPECT OF THE ELECTION OF THE DIRECTORS.

ANNEX "B"

REQUIREMENTS AND PROCEDURE FOR VOTING AND PARTICIPATING IN THE 2025 ANNUAL STOCKHOLDERS' MEETING

A. CONDUCT OF THE MEETING - The 2025 Annual Stockholders' Meeting of Lepanto Consolidated Mining Company will be conducted virtually on Monday, June 16, 2025, via ZOOM. Stockholders who participate in the meeting by remote communication shall be deemed present for purposes of quorum.

B. PRE-REGISTRATION - Stockholders intending to participate **by remote communication or by Proxy** (Annex "A-1") are required to pre-register by emailing the Asst. Corporate Secretary at oaj@lepantomining.com **not later than June 9, 2025**. Following are the requirements for pre-registration:

1. Name of the stockholder
2. Mailing Address
3. Contact number (landline or mobile)
4. email address through which the stockholder will send and receive communication from the Company
5. Scanned copy of any valid government-issued ID with photo and signature of the stockholder
6. If attending through a duly-appointed Proxy, the name of the Proxy, together with a scanned copy of the Proxy's valid government-issued ID with photo and signature (except if the designated Proxy is the Chairman of the meeting)
7. If the stockholder is a corporation, a scanned copy of the Corporate Secretary's certification stating the representative's authority to represent the corporation, and a scanned copy of the government-issued ID with photo and signature of the Company representative and email address of the representative.

THE SUBMISSION OF INCOMPLETE OR INCONSISTENT INFORMATION MAY RESULT IN UNSUCCESSFUL REGISTRATION AND WILL RENDER THE STOCKHOLDER INELIGIBLE TO PARTICIPATE IN THE MEETING.

C. REGISTRATION PROPER- Successful registrants will receive a notice by email:

1. confirming their registration status and providing:
   a. link to the online secure portal where they can vote/accomplish the Ballot (Annex "A-2"), which should be accomplished not later than June 9, 2025;
   b. ZOOM meeting link to enable them to participate at the meeting.
2. for those who submitted a PROXY, a confirmation of the validity of the PROXY.

D. VOTING

1. A stockholder who chooses to vote electronically should vote on the agenda items by accessing the Ballot through the secure online portal.
2. A stockholder who does not wish to vote electronically can only appoint the Chairman of the meeting as Proxy.
3. The Office of the Corporate Secretary will tabulate all votes received and an independent third party will validate the results.
4. The Corporate Secretary will report the results of the voting during the meeting.

E. MEETING PROPER

1. During the meeting, each proposed resolution will be shown on the screen as the relevant agenda item is taken up.
2. Participating stockholders can send questions or comments on any item on the agenda through the chat facility of ZOOM.
3. The meeting proceedings will be recorded in audio and video format. A copy of the recorded proceedings will be made available to a stockholder upon request.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

**INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

   ___ Preliminary Information Statement

   _X_ Definitive Information Statement

2. Name of Registrant as specified in its charter: **LEPANTO CONSOLIDATED MINING COMPANY**

3. Province, country or other jurisdiction of incorporation or organization: Makati City, Philippines

4. SEC Identification Number: 101

5. BIR Tax Identification Code: 320-000-160-247

6. Address of principal office: 21st Floor, Lepanto Building
   8747 Paseo de Roxas
   1229 Makati City, Philippines

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

8. Date, time and place of the meeting of security holders :

   Monday, June 16, 2025 at 4:00 o'clock p.m. The meeting will be conducted virtually via remote access communications and the access link will be provided in the Company's website at **www.lepantomining.com**

9. Approximate date on which the Information Statement is first to be sent or given to security holders:
   May 23, 2025

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA:

Title of Each Class	Number of Shares of Common Stock Outstanding
Class "A"	39,822,869,196
Class "B"	26,552,888,901

   The Company has no Preferred Stock.

11. Are any or all of registrant's securities listed on a Stock Exchange?

   Yes __X__ No _______

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

   Philippine Stock Exchange Classes "A" & "B"

GENERAL INFORMATION

WE ARE NOT REQUESTING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

Date, time and place of meeting of security holders

The Annual Meeting of Stockholders of Lepanto Consolidated Mining Company will be conducted virtually via remote access communications and the access link will be provided in the Company's website at **www.lepantomining.com** on **Monday, June 16, 2025 at 4:00 o'clock p.m.** The complete mailing address of the offices of the Company is 21st Floor, Lepanto Building, 8747 Paseo de Roxas, Makati City, Philippines. This Information Statement will be posted on the Company's website on or before May 23, 2025.

Dissenters' Right of Appraisal

A stockholder has the right to dissent and demand payment of the fair value of his share: (1) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or of authorizing preference over the outstanding shares or of extending or shortening the term of corporate existence; (2) in case of any sale, lease, mortgage or disposition of all or substantially all the corporate property or assets; and (3) in case of any merger or consolidation.

The appraisal right may be exercised by a stockholder who has voted against the proposed corporate action, by making a written demand on the corporation for the payment of the fair market value of his shares within thirty (30) days after the date on which the vote was taken.

There is no matter in the Agenda that may trigger the exercise of shareholders of the right of appraisal.

Interest of Certain Persons in or Opposition to Matters to be Acted Upon

None of the directors, officers, nominees for director, or any of the associates of the foregoing persons have any substantial interest in the Matters to be Acted Upon in the Annual Meeting nor has any of them informed the Company in writing of any opposition to the matters to be acted upon.

CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

Of the 66,375,758,097 outstanding shares of the Company, 66,355,164,424 shares as of May 14, 2025 are entitled to one (1) vote each. Said outstanding shares, all of which are common shares, are broken down as follows:

Class "A"	-	39,817,947,179
Class "B"	-	26,537,217,245

A stockholder entitled to vote at the meeting shall have the right to vote in person or by proxy (which need not be notarized) the number of shares of stock held in his name on the stock books of the Company as of May 14, 2025.

Article VII of the Corporation's Articles of Incorporation states: "No stockholder of this corporation shall have any pre-emptive or preferential right to subscribe to any increase thereof that may be lawfully authorized, in proportion to his respective holding at the time such increase is so authorized."

Security Ownership of Certain Record and Beneficial Owners

Owners of more than 5% of the Company's securities, as of May 15, 2025, were as follows:

Title of Class	Name/Address of Record Owner	Name of Beneficial Owner/ Relationship to Issuer	Citizenship	A / B Shareholdings	%	Total Shareholdings	%
A & B	*PCD Nominee Corporation BDO Equitable Tower, 8751 Paseo de Roxas, Makati City	PCD Nominee Corporation	Filipino	17,543,138,208 6,758,373,607	44.06 25.47	24,301,511,903	36.61
A & B	*F. Yap Securities, Inc. U-2301 & 2302, 23/F, PSE Centre, Exchange Rd.,Ortigas Center, Pasig City	F. Yap Securities, Inc./ Principal Stockholder	Filipino	14,126,348,139 8,352,326,256	35.48 31.47	22,478,674,467	33.87
A & B	** First Metro Investment Corp. Makati City	First Metro Investment Corp./ Principal Stockholder	Filipino	2,720,445,426 799,642,268	6.83 3.01	3,520,087,701	5.30

* PCD Nominee Corporation ("PCD"), the nominee of the Philippine Depository & Trust Corporation, is the registered owner of the shares in the books of the Company's transfer agent. The beneficial owners of such shares are PCD's participants who hold the shares on their own behalf, or in behalf of their clients.

** Power to dispose of shares is vested in: F. Yap Securities - Pacita K. Yap; Voting rights/proxies for F. Yap Securities have been granted to Mr. Felipe U. Yap.

*** Power to dispose of shares is vested in the Board of Directors; Voting rights/proxies have been granted to Atty. Regis V. Puno.

***Holders of 5% or more under PCD Account**

Title of Class	Name/Address of Record Owner	A / B Shareholdings	%	Total Shareholdings	%
A & B	First Metro Securities Brokerage Corp. 18F PSBank Center, 777 Paseo de Roxas, Makati	5,614,112,694 681,313,080	11.28 1.71	6,295,425,774	9.48
A & B	*F. Yap Securities, Inc. U-2301 & 2302, 23/F, PSE Centre, Exchange Rd.,Ortigas Center, Pasig City	678,096,973 2,995,747,644	2.55 35.48	3,673,884,617	5.53

Equity Ownership of Foreigners

As of May 14, 2025, the record date, none of the "A" shares and 13.97% of the "B" shares were held by foreigners.

Voting Trusts and Change in Control

The Company is not aware of any voting trusts involving the Company's shares nor has there been any change in the control of the Company in the last five (5) years.

Security Ownership of Management (as of May 15, 2025)

Title of Class	Beneficial Owner (Directly Owned)	Position	Amount and Nature of Beneficial Ownership (A / B)	Citizenship	Percent of Classes (A / B)
A & B	Felipe U. Yap	Chairman of the Board	254,161,744 /134,355,552	Filipino	0.64 / 0.51
A & B	Bryan U. Yap	Director / President	970,846,692 / 50,107,284	-do-	2.44 / 0.19
B	Marilyn V. Aquino	Director	23,440,591 / 13,515,060	-do-	0.06 / 0.05
A& B	Douglas John Kirwin	Director	1	Australian	nil
A & B	***Ray C. Espinosa	Director	1,213,447 / 500,000	-do-	nil
B	James Peter Almaas	Director	1	American	nil
A & B	Regis V. Puno	Director	10,000 -	-do-	nil
A & B	***Val Antonio B. Suarez	Director	1	-do-	nil
A & B	Clark Lawton S. Yap	Director	16,373,654 / 7,753,706	-do-	0.04 / 0.03
A	Ramon T. Diokno	Chief Finance Officer	953,183 / 333,066	-do-	Nil
A & B	Ma. Lourdes B. Tuason	Vice Pres./Treasurer	23,991,732 / 16,328,419	-do-	0.06 / 0.06
A & B	Hector R. De Leon, Jr.	Corporate Secretary	1,042,000 / 1,380,000	-do-	nil
A & B	Odette A. Javier	Vice Pres./Asst Corp Sec	11,965,525 / 5,688,130	-do-	0.03 / 0.02
A & B	Rene F. Chanyungco	Vice President	3,882,141 / 4,568,095	-do-	0.01 / 0.02
A & B	Abigail Y. Ang	Vice President	6,913,351 / 8,542,361	-do-	0.02 / 0.03
A & B	Pablo T. Ayson, Jr.	Vice President	866,516 / 2,720,074	-do-	0.00 / 0.01
A & B	Knestor Jose Y. Godino	Vice Pres./HR	989,090 / 659,693	-do-	nil
A & B	Cherry H. Tan	Asst. Vice President	4,662,880 / 3,130,959	-do-	0.012 / 0.012
A	Leonardo L. Subang	Asst. Vice President	1,000,000	-do-	nil
A & B	*Aggregate as a group*		*1,322,312,547 / 249,582,401*		*3.32 /0.94*

*** - Independent Directors

There are no known arrangements which may result in a change in the control of the Company and there have been no such changes since January 2025.

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 petition. Neither has any director or officer 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 bodies to have violated a Securities or Commodities law.

Material legal proceeding involving the Company:

Lepanto vs. NM Rothschild & Sons (Australia) Ltd. (Civil Case No. 05-782)

The Company initiated in 2005 a case for the declaration of nullity of forward gold contracts with Rothschild to sell 97,476 ounces of gold on the ground that they are considered as wagering transactions under Philippine law. In a decision dated February 5, 2018, the Regional Trial Court ("RTC") of Makati City ruled in favor of Lepanto, declaring the subject contracts null and void. The RTC decision was affirmed by the Court of Appeals in 2022, after which Rothschild filed a Petition for Review with the Supreme Court.

Directors and Executive Officers

The Directors of the Company are elected at the Regular Annual Meeting of Stockholders to hold office until the next succeeding annual meeting or until their respective successors have been elected and qualified. The incumbent Directors are:

Directors	Age	Citizenship	Period Served
FELIPE U. YAP	87	Filipino	Since 1975
BRYAN U. YAP	52	-do-	Since 1997
JAMES PETER ALMAAS	68	American	Since 2024
DOUGLAS J. KIRWIN	74	Australian	Since 2017
RAY C. ESPINOSA (Lead Independent)	68	Filipino	Since 2005
MARILYN V. AQUINO	69	-do-	Since 2012
REGIS V. PUNO	67	-do-	Since 2016
VAL ANTONIO B. SUAREZ (Independent)	66	-do-	Since 2011
CLARK LAWTON S. YAP	44	-do-	Since 2024

Following are the names of the Candidates for election to the Board of Directors with the names of the shareholders who nominated them, in the case of the candidates for independent directors:

	Age	Citizenship	
FELIPE U. YAP	87	Filipino	
BRYAN U. YAP	52	Filipino	
CLARK LAWTON S. YAP	44	Filipino	
JAMES PETER ALMAAS	68	American	
MARILYN V. AQUINO	69	Filipino	
DOUGLAS J. KIRWIN	74	Australian	
REGIS V. PUNO	67	Filipino	
For Independent Directors:			
RAY C. ESPINOSA	68	Filipino	- nominated by Mr. Antonio S. Cielo with whom he has no relations
VAL ANTONIO B. SUAREZ	66	Filipino	- nominated by Ms. Theresa B. Tuason with whom he has no relations

Both nominees for independent directors, Messrs. Ray C. Espinosa and Val Antonio B. Suarez, had reached the maximum term allowed under SEC Memorandum Circular No. 19, Series of 2016, as of 2021. Thus, at the annual stockholders' meeting on September 20, 2021, pursuant to SEC Memorandum Circular No. 4, Series of 2017, the stockholders approved the extension of their terms for two years in view of the following: i) Mining is a complex industry and the management of a mining enterprise requires an understanding of its manifold aspects, its various phases, the factors that determine its success, and the numerous national and local laws and regulations that control its operation; and ii) Messrs. Espinosa and Suarez are not only well respected business executives, but in the course of their long exposure to the mining industry as directors of Lepanto, have acquired an acute understanding of the varied workings of the industry and have provided invaluable insights and counsel to the company. At the annual stockholders' meeting on July 17, 2023, the stockholders, as recommended by the Board of Directors, approved a further extension of the terms of the two independent directors for another two years for the same reasons and because the counsels of Messrs. Espinosa and Suarez would be particularly helpful as the Company moves towards optimal utilization of its varied resources. The Board of Directors is recommending a further two year extension of their terms, justifying further that Company will benefit from the continued participation of Directors Espinosa and Suarez during Board discussions especially in light of the pending renewals of the Company's MPSAs and the expected renewed interest of foreign investors in Philippine mining projects in anticipation of the government's avowed efforts to support and grow the mining industry.

Business Experience in the Last Five (5) Years

Mr. Felipe U. Yap became the Chairman of the Company in 1988. He is likewise the Chairman and Chief Executive Officer of Manila Mining Corporation and of Far Southeast Gold Resources, Inc. He is the Chairman of the Board of Kalayaan Copper-Gold Resources, Inc. and Zeus Holdings, Inc. and Vice Chairman of Ayala Land Logistics Holdings Corporation. Mr. Yap is a director of, among others, Manila Peninsula Hotel, Inc. and Philippine Associated Smelting and Refining Corp. (PASAR). Mr. Yap was the Chairman of the Board of the Philippine Stock Exchange from March 2000 to March 2002.

Mr. Bryan U. Yap has been the President and COO of the Company since 2003 and of Manila Mining Corporation since 2011. He is also the President of Far Southeast Gold Resources, Inc.; Kalayaan Copper-Gold Resources, Inc.; Lepanto Investment and Development Corporation (LIDC); Shipside, Inc.; and Diamond Drilling Corporation of the Philippines; and a member of the Board of Trustees of the Chamber of Mines of the Philippines since April 15, 2009.

Mr. Clark Lawton S. Yap is currently a Director of Manila Mining Corporation; Far Southeast Gold Resources, Inc.; 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.

Mr. James P. Almaas is a Mining and Metallurgical Engineer. His outfit, JPA Mining Consultants LLC, has since 2016 been providing consulting services in the areas of Mine Management, Mine Engineering, Due Diligence and Strategic Planning for both underground and surface mines. Prior to establishing JPA Mining Consultants PLC, he worked with Rio Tinto PLC for 20 years, where he served as manager for three departments: Mine Development, Mine Dewatering, and Reclamation, including Project Manager for the Rio Tinto-Lepanto JV from June 2001 to September 2003. Mr. Almaas has worked or consulted on 45 mines in 16 countries, and was the principal designer of four underground and two open pit mines in diverse regions and climates.

Atty. Marilyn V. Aquino has been a member of the board of Philippine Stock Exchange since June 2023; PLDT, Inc. since May 2023; Philex Mining Corporation since December 2009; and of PXP Energy Corporation since 2013. She was a partner of the law firm Sycip Salazar Hernandez & Gatmaitan until June 2012 when she joined First Pacific Company Limited as Assistant Director. She is now the Corporate Secretary, Senior Vice President, and Chief Legal Counsel of PLDT.

Atty. Ray C. Espinosa is a director of MERALCO (and president from 2019 to 2023), PLDT, Meralco PowerGen Corporation, Metro Pacific Investment Corporation and Roxas Holdings, Inc., among many others.

Mr. Douglas John Kirwin was the Executive Vice President of Ivanhoe Mines from 1995 (when it was known as Indochina Goldfields Ltd) until 2012 during which time several major mineral deposits were discovered, including the giant Hugo Dummett gold-copper porphyry at Oyu Tolgoi in Mongolia. He was the President of the Society of Economic Geology in 2019, where he continues to serve as an honorary lecturer and he is also a lifetime member of the Geological Society of the Philippines. Mr Kirwin is now semi-retired with a part time independent consulting business. He has been a Director of Manila Mining Corporation since 2014 and of Zeus Holdings, Inc. since 2017.

Atty. Regis V. Puno, is currently the General Counsel and Corporate Secretary of Metropolitan Bank & Trust Company (Metrobank). He is also Of Counsel of Angara Abello Concepcion Regala & Cruz Law Offices (ACCRALAW). He was formerly a Senior Partner of Puno & Puno Law Offices and formerly Undersecretary of the Department of Justice. He is also currently a Director of GT Capital Holdings Corporation and LMG Corporation (formerly LMG Chemicals Corporation)., both publicly listed companies.

Atty. Val Antonio B. Suarez is the Managing Partner of Suarez and Reyes Law Offices. He also serves as Independent Director of Filinvest REIT Corp. Atty. Suarez was the President and Chief Executive Officer of the Philippine Stock Exchange (PSE) and the Securities Clearing Corporation of the Philippines in 2010.

There is no director who has resigned or declined to stand for re-election since the last annual meeting because of a disagreement with the Company.

Executive Officers

FELIPE U. YAP	-	Chairman of the Board and CEO
BRYAN U. YAP	-	President and COO
RAMON T. DIOKNO	-	Chief Finance Officer
HECTOR M. DE LEON, JR.	-	Corporate Secretary
MA. LOURDES B. TUASON	-	Vice President/Treasurer
RENE F. CHANYUNGCO	-	Vice President-Logistics & Marketing
ABIGAIL K. YAP	-	Vice President for Technology & Planning
ODETTE A. JAVIER	-	Vice President/Asst. Corporate Secretary
PABLO T. AYSON, JR.	-	Vice President-Mining Claims
KNESTOR JOSE Y. GODINO	-	Vice President- Human Resource & Admin.
CHERRY H. TAN	-	Asst. Vice President- Purchasing
LEONARDO L. SUBANG	-	Asst. Vice President-Exploration

Business Experience of Executive Officers

Mr. Ramon T. Diokno rejoined the Company as CFO effective April 1, 2008. He held that same position from 1985 to 1996. Mr. Diokno is a member of the Board of Directors of Alcantara Consolidated Resources, Inc. and Zeus Holdings, Inc. He is also a director and the CFO of the Diamond Drilling Corporation of the Philippines (DDCP) and LIDC, and a director and Vice President of Far Southeast Gold Resources, Inc.

Atty. Hector M. De Leon, Jr. was appointed Corporate Secretary in June 2024. He is also the Corporate Secretary of Manila Mining Corporation and of Far Southeast Gold Resources, Inc. 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 also the Assistant Treasurer of Manila Mining Corporation and of Far Southeast Gold Resources, Inc. and Treasurer of Shipside, Inc., DDCP and LIDC. She is a director also of LIDC and Shipside, Inc.

Mr. Rene F. Chanyungco is also a director and Senior Vice President-Treasurer of Manila Mining Corporation. He is the Vice President-Treasurer of Kalayaan Copper Gold Resources, Inc. and Vice President of LIDC.

Ms. Abigail Y. Ang, Vice President for Technology and Planning, is also the Chief Executive Officer of Yapster e-Conglomerate, Inc.

Atty. Odette A. Javier has been the Company's Assistant Corporate Secretary since 1993. She was promoted to Vice President-Assistant Corporate Secretary on February 20, 2006. She is also the Assistant Corporate Secretary of Manila Mining Corporation and Far Southeast Gold Resources, Inc. and is a Director and Corporate Secretary of Zeus Holdings, Inc. and LIDC. She is also Lepanto's Chief Information Officer.

Atty. Pablo T. Ayson, Jr. was appointed Vice President in December 2006. He is also a vice president of Manila Mining Corporation and Far Southeast Gold Resources, Inc. and a director of Zeus Holdings, Inc. and Kalayaan Copper-Gold Resources, Inc.

Mr. Knestor Jose Y. Godino joined the company as Group Manager for Administrative Services of the Lepanto Mine Division in 2006. He was promoted to Asst. Vice President for Human Resource and Administration in 2011, and to Vice President in 2015. He is also the Asst. Vice President for Human Resource of Manila Mining Corporation.

Ms. Cherry H. Tan joined the Company as Purchasing Manager in 1998. She was promoted to Assistant Vice President in 2004.

Mr. Leonardo L. Subang was the Company's Exploration Manager from 2014-2019. Prior to his return to Lepanto and appointment as Asst. Vice President for Exploration in 2023, he worked with PT Aneka Tambang and PT Indotan Sumbawa Bangkit, both in Indonesia, from 2019- 2020 and 2021 to 2023, respectively.

<u>Directors' Attendance of Meetings for the year 2024:</u>

Board	Name	Regular, Special and Organizational Meetings	%	2024 Annual Stockholders' Meeting	Committee Meetings
Chairman	Felipe U. Yap	9 / 13	69%	Present	Corporate Governance, 1/1
Member	Bryan U. Yap	13 / 13	100%	Present	Nomination: 1/1
Member	Marilyn V. Aquino	8 / 13	61.5%	Present	n/a
Lead Independent	Ray C. Espinosa	8 / 13	69%	Present	Audit: 3/3 Nomination: 1/1 Corporate Governance: 1/1
Member	James P. Almaas	7 / 7	100%	Present	n/a
Member	Douglas John Kirwin	8 / 13	61.5%	Present	n/a
Member	Regis V. Puno	11 / 13	85%	Present	n/a
Independent	Val Antonio B. Suarez	12 / 13	92%	Absent	Audit: 3/3 Corporate Governance: 1/1 Nomination: 1/1
Member	Clark Lawton S. Yap	10 / 13	77%	Present	Audit: 2/3

Continuing Education Attended:

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Felipe U. Yap	November 5, 2024	2024 Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit	Institute of Corporate Directors
Bryan U. Yap	December 3, 2024	Topic 1: Economic Briefing Topic 2: Sustainability Reporting Topic 3: Practical Risk Management	Center for Global Best Practices
Marilyn V. Aquino	September 27, 2024	Become an Insurgent: Re-Focus and Re-Energize your Business Strategy, Organization, and Culture for Success	Annual Corporate Governance Enhancement Session
James P. Almaas	June 4 and 5, 2024	Corporate Governance Orientation Program	Institute of Corporate Directors
Ray C. Espinosa	September 27, 2024	Become an Insurgent: Re-Focus and Re-Energize your Business Strategy, Organization, and Culture for Success	Annual Corporate Governance Enhancement Session
Douglas John Kirwin	December 3, 2024	Topic 1: Economic Briefing Title 2: Executive Briefing on Business Continuity	Center for Global Best Practices
Regis V. Puno	July 26, 2024	Corporate Governance Training	Center for Global Best Practices
Val Antonio B. Suarez	December 3, 2024	Topic 1: Economic Briefing Title 2: Executive Briefing on Business Continuity	Center for Global Best Practices
Clark Lawton S. Yap	June 4 and 5, 2024	Corporate Governance Orientation Program	Institute of Corporate Directors
Ramon T. Diokno	December 3, 2024	Topic 1: Economic Briefing Title 2: Executive Briefing on Business Continuity	Center for Global Best Practices
Hector M. De Leon, Jr.	December 3, 2024	Topic 1: Economic Briefing Title 2: Executive Briefing on Business Continuity	Center for Global Best Practices
Ma. Lourdes B. Tuason	December 3, 2024	Topic 1: Economic Briefing Title 2: Executive Briefing on Business Continuity	Center for Global Best Practices
Odette A. Javier	December 3, 2024	Topic 1: Economic Briefing Title 2: Executive Briefing on Business Continuity	Center for Global Best Practices

Significant Employees

There are no significant 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. Mr. Clark Lawton S. Yap is a nephew of the Chairman while Ms. Abigail Y. Ang is his niece.

Related Party Transactions

There were no transactions between the Company and any members of the Board of Directors.

From Note 16 of the 2024 Audited Financial Statements:

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 has a Board-approved Material Related Party Transactions (Material RPTs) Policy defining Material RPTs and setting forth the approval procedure for the same in compliance with the requirements of Revised SRC Rule 68 and SEC Memorandum Circular 10, series of2019.

Under the said policy, Material RPTs, that is, transactions which, either individually, or in aggregate over a 12-month period with the same related party, amount to at least ten percent (10%) of the Group's consolidated total assets based on its latest audited financial statements, need to be approved by at least a two-thirds (213) vote of the board of directors prior to execution.

Intercompany transactions involving subsidiaries are eliminated in the consolidated financial statements. The Group's related party transactions, which are under terms that are no less favorable than those arranged with third parties, are as follows:

	2024			
	Amount/ Volume	Outstanding Balance	Terms	Conditions
Subsidiaries and affiliates				
Receivables				
DDCP	**₱338**	**₱2,775**	**On demand; noninterest-bearing and collectible in cash**	**Unsecured, no impairment, not guaranteed**
LIDC	–	**20,321**	**On demand; noninterest-bearing and collectible in cash**	**Unsecured, no impairment, not guaranteed**
DMTC	–	–	**On demand; non-interest bearing and collectible in cash**	**Unsecured, no impairment, not guaranteed**
FSGRI	**74**	**4,940**	**On demand; noninterest-bearing and collectible in cash**	**Unsecured, no impairment, not guaranteed**
Advances to				
FSGRI	–	**94,140**	**On demand; noninterest-bearing and collectible in cash**	**Unsecured, no impairment, not guaranteed**
MMC (Note 11)	**26**	–	**Non-interest bearing and normally settled on 30-day term**	**Unsecured, no impairment, not guaranteed**
Payables				
DDCP	**523**	**(7,265)**	**On demand; non-interest bearing; and payable in cash**	**Unsecured, not guaranteed**
SI	**33**	**(196,715)**	**Noninterest bearing and collectible in cash**	**Unsecured, not guaranteed**
FSGRI	–	**(734)**	**On demand; non-interest bearing; and payable in cash**	**Unsecured, not guaranteed**
Rental				
DDCP	**182**	–	**Noninterest-bearing and normally settled on 30-day term**	**Unsecured, not guaranteed**
FSGRI	**1,612**	–	**Non-interest bearing and normally settled on 30-day term**	**Unsecured,not guaranteed**
Goods and Services				
DDCP	**91,159**	–	**Noninterest-bearing and normally settled on 30-day term**	**Unsecured, not guaranteed**
SI	**19,047**	–	**Noninterest-bearing and normally settled on 30-day term**	**Unsecured, not guaranteed**
Stockholders				
Payables:				
Various (Note 13)	–	**(56,084)**	**Noninterest-bearing and are normally settled in cash on 30-day term**	**Unsecured, no guarantee**

	2023			
	Amount/ Volume	Outstanding Balance	Terms	Conditions
Subsidiaries and affiliates				
Receivables				
DDCP	₱1,287	₱77,884	On demand; noninterest-bearing and collectible in cash	Unsecured, no impairment, not guaranteed
LIDC	57	6,403	On demand; noninterest-bearing and collectible in cash	Unsecured, no impairment, not guaranteed
DMTC	–	1,975	On demand; non-interest bearing; and collectible in cash	Unsecured, no impairment, not guaranteed
FSGRI	7,048	2,982	On demand; noninterest-bearing and collectible in cash	Unsecured, no impairment, not guaranteed
Advances				
FSGRI	–	94,140	On demand; noninterest-bearing and collectible in cash	Unsecured, no impairment, not guaranteed
MMC (Note 11)	557	12,369	Non-interest bearing and normally settled on 30-day term	Unsecured, no impairment, not guaranteed
Payables				
SI	20,592	(196,301)	Noninterest bearing and collectible in cash	Unsecured, not guaranteed
MMC (Note 13)	–	(12,650)	On demand; noninterest-bearing and collectible in cash	Unsecured, no impairment, not guaranteed
DMTC (Note 13)	–	(13,981)	On demand; noninterest-bearing and collectible in cash	Unsecured, no impairment, not guaranteed
DDCP	91,375	(7,265)	On demand; non-interest bearing; and payable in cash	Unsecured, not guaranteed
Advances from				
FSGRI	–	(5,674)	On demand; non-interest bearing; and payable in cash	Unsecured, not guaranteed
Rental				
FSGRI	2,513	–	Noninterest-bearing and normally settled on 30-day term	Unsecured, not guaranteed
DDCP	183	–	Non-interest bearing and normally settled on 30-day term	Unsecured,not guaranteed
Services				
DDCP	68,052	–	Noninterest-bearing and normally settled on 30-day term	Unsecured, not guaranteed
SI	20,592	–	Noninterest-bearing and normally settled on 30-day term	Unsecured, not guaranteed
Stockholders				
Payables:				
Various (Note 13)	–	(56,084)	Noninterest-bearing and are normally settled in cash on 30-day term	Unsecured, no guarantee

a. In the normal course of business, the Group grants and receives advances to and from its associates and stockholders, which are considered related parties.

The corresponding receivables and payables arising from the said transactions, including operational support as at December 31, 2024 and 2023 are as follows:

b. On April17, 2000, the Parent Company entered into a Trust Agreement with LIDC for the latter to serve as a second trustee for the Parent Company's retirement fund.

On March 31, 2003, the Parent Company entered into a separate Trust Agreement with LIDC whereby the latter ceased to be the second trustee of the Plans and instead to become the principal trustee. Prior to the Trust Agreement, the actual disbursements of the fund for the Plans, or payments to the retiree or beneficiaries, had been the responsibility of a local bank as the principal trustee. The Parent Company has decided to terminate the services of the local bank and consolidated to LIDC the administration of the Plans.

The carrying amount and fair value of the retirement fund amounted to P465,713 and P468,066 as at December 31, 2024 and 2023, respectively (see Note 17).

The retirement fund consists of cash in banks, short-term investments, investments in quoted and unquoted equity securities which accounts for 0.23% and 97.88% and 1.86% and 0.03% of the trust fund, respectively, as at December 31, 2024 (see Note 17).

The voting rights on the shares of stock rest on the trustees of the retirement fund, who are also the key management personnel of the Parent Company.

The Group made contributions to the trust fund amounting to P131,279 and P160,362 in 2024 and 2023, respectively (see Note 17).

c. Compensation of key management personnel are as follows:

	2024	2023	2022
Short-term benefits	₱18,354	₱62,996	₱73,538
Post-employment benefits	–	13,200	13,200
	₱18,354	₱76,196	₱86,738

Summary Compensation Table

Board of Directors per diem:	Year 2024	Year 2023	Year 2022
Felipe U. Yap	none	74,800	74,800
Bryan U. Yap	none	74,800	74,800
Marilyn V. Aquino	36,000	45,000	45,000
Ray C. Espinosa	54,000	63,000	63,000
Douglas John Kirwin	45,000	81,000	81,000
Regis V. Puno	72,000	99,000	99,000
Val Antonio B. Suarez	81,000	90,000	90,000
James Peter Almaas	none	n/a	n/a
Clark Lawton S. Yap	none	n/a	n/a
		2023 (Total) (All Cash)	**Basic Salary**
Felipe U. Yap, Chairman Bryan U. Yap, President Ramon T. Diokno, CFO Ma. Lourdes B. Tuason, Vice Pres./Treasurer Rene F. Chanyungco, Vice President		P32.3 million	P29.8 million
All officers and directors		P48.0 million	P42.3 million

		2024 (Total)	
Felipe U. Yap, Chairman Bryan U. Yap, President Ramon T. Diokno, CFO Ma. Lourdes B. Tuason, Vice Pres./Treasurer Rene F. Chanyungco, Vice President		P32.3 million	P29.8 million
All officers and directors		P48.4 million	P42.3 million
		2025 (Estimate)	
Felipe U. Yap, Chairman Bryan U. Yap, President Ramon T. Diokno, CFO Ma. Lourdes B. Tuason, Vice Pres./Treasurer Rene F. Chanyungco, Vice President		P32.3 million	P29.8 million
All officers and directors		P48.4 million	P42.3 million

Compensation of Directors/Committee Members

Directors are paid a per diem of P10,000.00 each for attendance of every regular or special meeting in accordance with the Corporation's By-Laws. For committee meetings attended, non-executive member-directors are paid a per diem of P5,000.00 to P10,000.00 each.

Contracts with Officers/ Employees

The Company has no contracts or special arrangements with any of its officers or employees with respect to the terms of employment.

Pension Plan

The Parent Company has a funded, noncontributory, defined benefit retirement plans covering substantially all regular employees while DDCP and Shipside, Inc. have unfunded benefit retirement plans. Benefits are dependent on the years of service and the respective employee's compensation. The defined retirement benefit obligation is determined using the projected unit credit method. There were no plan terminations, curtailment or settlement for the years ended December 31, 2020, 2019 and 2018.

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

Under the share-based plan, the Company's officers and employees and those of its subsidiaries may be granted options to purchase shares of stock of the Company. The aggregate number of shares to be granted under the plan should not exceed five percent (5%) of the total number of shares of the Company's outstanding capital stock.

An individual may be granted an option to purchase not more than five percent (5%) 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 (5) years and are exercisable from the date of the approval of the grant by the SEC.

The last award, the 17th Stock Option Award, expired on January 30, 2013.

Modification or Exchange of Securities

No action is to be taken by the Company with respect to the modification of any class of securities of the Company or the issuance or authorization for issuance of one class of securities of the Company in exchange for outstanding securities of another class.

Independent Public Accountant

Sycip Gorres Velayo & Co. ("SGV") has been the Company'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 was the certifying partner from 2007 to 2011 and 2014-2017. Ms. Eleanore A. Layug was the certifying partner in 2012 and 2013, and again for the 2018 to 2024 financial statements.

Representatives of SGV will be present at the Annual Stockholders' Meeting on June 16, 2025 to give statements in response to queries on issues they can shed light on.

Audit Fees

For the audit of the financial statements for the year 2023, SGV & Co. billed the Company the sum of P2,670,000. The amount was increased to P2,700,000 for the audit of the 2024 financial statements.

Tax Fees

No professional services in relation to taxes were rendered by SGV to the Company in the last three years.

All Other Fees

SGV & Co. was engaged to review the utilization of the proceeds of the Company's 1:4.685 SRO in 2017 pursuant to the PSE's conditions for listing. They were paid P40,000 for the engagement. No other non-audit services were rendered by SGV to the Company in the last three years.

Audit and Board Risk Oversight Committee's Approval Policies and Procedures

Prior to the commencement of audit services, the external auditors submit their Audit Plan to the Audit and Board Risk Oversight Committee, indicating the applicable accounting standards, audit objectives, scope, approvals, methodology, needs and expectations and timetable, among others. A presentation on the same Plan is made by the external auditors before all the members of the Committee. 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 and Board Risk Oversight Committee is composed of: Atty. Ray C. Espinosa, Committee Chairman and an independent director; Atty. Val Antonio B. Suarez and Mr. Clark Lawton S. Yap, members.

The Committee revised its charter in 2012 to conform to SEC Memorandum Circular No. 4, Series of 2012.

FINANCIAL AND OTHER INFORMATION

Action with Respect to Reports

At the last **Annual Stockholders Meeting held on June 10, 2024** conducted virtually via remote access communications, the Chairman and CEO reported to the stockholders of the Company the operational and financial performance in 2023. Thereafter, the Chairman opened the floor for clarificatory questions.

There are three questions from Mr. Andrew Yap, to wit:

1. "What is the status of the FPIC process: expected steps, where we are, and target timelines. Please update the shareholders on any major concerns or issues faced, on FPIC consent as well as the eventual renewal of MPSA.

   The President replied as follows:

   We commenced the Free and Prior Informed Consent process last year. We have completed the field-based investigation conducted by the National Commission of Indigenous People (NCIP). We expect the next steps, such as the community assemblies and voting, to commence once the NCIP has decided on the dates for these activities.

   Lepanto has been regularly updating the community on its operations and activities more so recently in light of the FPIC process. So far, the message has been well-received and the community's response is encouraging.

   The timeline is something we cannot control as it will depend on the schedule of the NCIP but we are liaising closely with the agency to let them understand the urgency of the matter. We are thankful that the indigenous people of Mankayan have been cooperative and have in fact requested the NCIP to give priority to our FPIC process.

2. Please provide updates on exploration work being undertaken by the company.

   The President replied that:

   All exploration is focused on areas we can immediately develop and mine. We are drilling the southern extension of the Teresa veins and the upper extensions of the Felicia veins, both adjacent to Victoria, to augment our gold resources.

3. Are there any recent material / significant operational or strategic developments

   We remain focused on obtaining the FPIC at the soonest possible time and turning around to profitability this year.

4. A shareholder, Ms. Zai Go, asked: "During this period of economic and political uncertainty, we've seen gold prices surge to around $2,300 per ounce as investors seek out safe-haven assets. However, the price of Lepanto has remained relatively stagnant despite the expectation that the broader market conditions would also drive up the stock price. If the factors influencing the gold market, such as increased safe-haven demand and central bank actions, are not translating to higher Lepanto share prices, what specific catalysts or developments would be needed to trigger a significant increase in the price of Lepanto stock? What should the investors be looking for to determine the right time to invest in or hold Lepanto stock, given the disconnect between the gold price surge and the lack of movement in Lepanto's share price?

The Chairman replied:

What we can do right now is to enhance our present operation in order to improve the production of gold and at the same time we have to pursue the advancement of the Far Southeast as quickly as possible, but again it depends on the regulatory environment and the government support.

The following were the matters discussed and the voting results for each item:

	AGENDA ITEM	IN FAVOR		AGAINST		ABSTAIN
		No. of Shares	%	No. of Shares	%	
3	Approval of the Minutes held on July 17, 2023	39,893,061,354	60.12	0	0	0
4	Approval of the Annual Report	39,893,061,354	60.12	0	0	0
5	Appointment of Sycip, Gorres, Velayo and Co., as External Auditor	39,893,061,354	60.12	0	0	0
6	Election of Directors	39,893,061,354	60.12	0	0	0

	Election of Directors	IN FAVOR	
		No. of Shares	%
	FELIPE U. YAP	39,893,061,354	60.12%
	BRYAN U. YAP	39,893,061,354	60.12%
	MARILYN V. AQUINO	39,893,061,354	60.12%
	JAMES PETER ALMAAS	39,893,061,354	60.12%
	RAY C. ESPINOSA	39,893,061,354	60.12%
	DOUGLAS JOHN KIRWIN	39,893,061,354	60.12%
	REGIS V. PUNO	39,893,061,354	60.12%
	CLARK LAWTON S. YAP	39,893,061,354	60.12%
	VAL ANTONIO B. SUAREZ	39,893,061,354	60.12%

The following were the members of the Board of Directors present via remote communication:

1. FELIPE U. YAP
2. BRYAN U. YAP
3. JAMES PETER ALMAAS
4. RAY C. ESPINOSA
5. REGIS V. PUNO
6. VAL ANTONIO B. SUAREZ
7. CLARK LAWTON S. YAP

The following were the Officers present via remote communication:

1. Mr. Ramon T. Diokno – Chief Finance Officer
2. Ms. Ma. Lourdes B. Tuason– Vice President-Treasurer
3. Atty. Odette Javier – Vice President and Asst. Corporate Secretary
4. Atty. Pablo Ayson – Vice President for Mining Claims
5. Mr. Knestor Godino – Vice President for Human Resource
6. Ms. Cherry H. Tan - Asst. Vice President – Purchasing

The following were the Stockholders present via remote communication

1. Andrew Yap
2. Zai Go
3. A & A Securities
4. Antonino Bonzon
5. Luz Sta. Ana

Stockholders in attendance or represented at the meeting represented 39,893,061,354 shares constituting 60.12% of the outstanding shares of the Company.

Voting Procedures

All Agenda items will require the affirmative vote of a majority of the shares of the Company present or represented and entitled to vote at the Annual Meeting. Likewise, directors shall be elected upon the majority vote of the shares present or represented and entitled to vote at the Annual Meeting. The Voting Procedure is set forth in the Requirements and Procedure for Voting and Participating in the 2025 Annual Stockholders' Meeting attached hereto as Annex "B".

Incorporated herein are the following:

1. Management's Discussion and Analysis of Financial Condition and Results of Operations for the quarter ended March 31, 2025 and the years 2024, 2023 and 2022;
2. Quarterly Market Prices of Securities from 2022, 2023 to 2024 and May 20, 2025; and
3. Audited Financial Statements for 2024 with Management's Responsibility for Financial Statements.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Makati City on 22 May 2025.

LEPANTO CONSOLIDATED MINING COMPANY
(Issuer)

For and in behalf of the Board of Directors:

ODETTE A. JAVIER
Vice President and
Asst. Corporate Secretary

REPORT TO SECURITY HOLDERS

General Nature and Scope of Business

Lepanto Consolidated Mining Company is a Filipino primary gold producer. Lepanto has been a proud corporate resident of Mankayan, Benguet for 87 years since 1936.

From 1948 to 1996, Lepanto's Enargite operations produced 1.58 billion pounds of copper, 2.9 million oz. of gold and 12.0 million oz of silver, recovered from 34.4 Mt of ore averaging 2.2% Cu and 3.5 g/t Au. Lepanto resumed copper operations in 2008, which it suspended in the fourth quarter of that year due to the sharp decline in copper prices.

Lepanto continues to produce gold from its Victoria and Teresa operations in Mankayan, Benguet. The Victoria Project has produced over 1,500,000 ounces gold from 1997 to 2024.

Lepanto has three wholly-owned subsidiaries, to wit:

SHIPSIDE, INC., based in San Fernando, La Union, is engaged principally in the hauling business. It also has a sawmill in La Union.

DIAMOND DRILLING CORPORATION OF THE PHILIPPINES is in the diamond drilling business. It services mostly mining companies.

LEPANTO INVESTMENT AND DEVELOPMENT CORPORATION (LIDC) is in the insurance business.

Lepanto owns 60% of FAR SOUTHEAST GOLD RESOURCES, INC., another mining company with resources in Mankayan, Benguet.

PLAN OF OPERATION/OUTLOOK FOR 2025

Lepanto will continue producing gold and silver dore from its Victoria and Teresa deposits. Exploration drilling to confirm extensions of the two orebodies will continue. The Company will continue upgrading mine and mill equipment to improve efficiencies.

Lepanto's MPSA 001-90-CAR and MPSA 151-2000-CAR are both subject of renewal applications and the requisite Free, Prior and Informed Consent (FPIC) process. The Company hopes to obtain the FPIC from the indigenous communities of Mankayan, Benguet within the year.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the 1st Quarter of 2025 and years 2024, 2023 and 2022

31 March 2025

Consolidated revenues for the first quarter of 2025 amounted to P1.1 billion compared with P687 million in 2024. Consolidated net income amounted to P391 million, a reversal from last year's net loss of P17 million.

Mining Operations

January – March 2025 versus January – March 2024

Dore production contained 6,176 ounces of gold and 11,819 ounces of silver versus last year's 4,943 ounces of gold and 11,805 ounces of silver.

Metal sales rose by 69% to P1.128 billion due to higher production and metal prices as well as the weaker Peso vis-à-vis the US$. A net income of P383 million was recorded compared with last year's loss of P21 million.

Gold price averaged US$2,889.62/oz. versus US$2,083.03/oz. while silver price averaged US$31.70/oz. versus US$23.16/oz. the preceding year. The P/US$ exchange rate averaged P57.83/US$1 compared with P55.94/US$1 last year.

Tonnage broken decreased from 96,317 tonnes to 94,202 tonnes, resulting in lower mining costs: P178 million compared with P204 million last year. However, tonnage milled increased from 86,757 tonnes to 91,118 tonnes, entailing an increase in the milling cost from P96 million to P114 million. Depletion decreased from P66 million to P58 million primarily due to the lower volume of broken ore. Production tax increased from P23 million to P42 million due to the higher metal sales.

BALANCE SHEET MOVEMENTS

March 31, 2025 versus December 31, 2024

Cash and cash equivalents increased by P163 million, primarily driven by higher cash inflows during the period. The increase of P239 million in receivables primarily pertains to the outstanding balance on a dore shipment. Inventories decreased by P46.0 million as dore inventory from December 2024 was sold in early January. Advances to suppliers and contractors increased by P71 million due to required down payments and longer lead time for deliveries. Additionally, other non-current assets grew by P44 million due to an increase in input VAT.

Short-term borrowings decreased by P9 million as a result of payments made.

The period's operations yielded a net income of P390 million, effectively reducing the deficit by the same amount.

CAPITAL EXPENDITURES

Capital expenditures for the quarter totaled P105.4 million, of which P51.3 million went to exploration; P33.4 million to machinery and equipment; P11.7 million to mine development; and P9 million to maintenance of tailings storage facility 5A.

Capex budget for the year amounts to approximately P700 million, to be funded from operations and which includes purchase of machinery and equipment, mine development, tailings dam maintenance, and exploration.

SUBSIDIARIES

The key performance indicator used for the subsidiaries is net income for the three months ended March 2025 versus the same period of the previous year.

Diamond Drilling Corporation of the Philippines reported a net income of P15 million this year versus P5 million net income last year. Lepanto Investment and Development Corporation incurred a net loss of P0.54 million compared with last year's net loss of P0.377 million. Shipside, Incorporated recorded a net income of P2 million against last year's net income of P4 million.

* - **KEY PERFORMANCE INDICATORS-LCMC**

Tonnes Milled which indicate the amount of ore taken for processing, **Milled Head** is the amount of gold per ton milled and **Gold production** which is the final product of the operations. **Metal sales**, **Cost and Expenses** and **Net**

Income round up the review process on how the company is performing vis-à-vis the performance of the same period last year. **Average Gold price** for the period adds another parameter that needs watching notwithstanding that the company has no direct influence on its movement.

2024

Consolidated revenues for 2024 amounted to P2.799 billion compared with P2.448 billion in 2023. Consolidated net income amounted to P102 million, a reversal from last year's net loss of P107 million.

Mining Operations

2024 versus 2023

Dore production contained 19,788 oz. of gold, 12% lower than last year primarily due to the lower grade of ore encountered during the period. Silver content (a byproduct) amounted to 47,933 oz., 12% higher than last year.

Gold price averaged US$2,378.08/oz. versus US$1,945.26.14/oz. while silver price averaged US$27.99/oz. versus US$23.28/oz. last year. The ₱/US$ exchange rate averaged ₱57.28/US$1 compared with ₱55.53/US$1 last year.

The foregoing increases in metal prices and weakening of the Peso against the US$ resulted in a 13% increase in revenues from ₱2.481 billion to ₱2.793 billion.

Costs increased by 7% to ₱2.353 billion on account of the following components: Operating Development cost increased by 129% to ₱216 million as development meterage was stepped up to access higher-grade ores, and this includes tonnes drawn from development ore; Mining cost increased by 11% to ₱753 million due to higher cost of materials; Milling cost rose by 2% to ₱417 million due to higher usage and material prices. Depletion decreased by ₱49.6 million due to decrease in tonnages from stoping; depreciation decreased by ₱15.0 million as some assets became fully depreciated; Administration went down by ₱19.4 million reflective of the higher disallowed input taxes in 2023; Production tax increased by 11% to ₱111 million due to the higher revenues.

Other income increased to ₱16.4 million from last year's ₱0.61 million due to the sale of scrap and other materials. Thus, Income before income tax amounted to P116 million, compared with last year's net loss of P82 million. After Provision for Deferred Income Tax of P21 million, Net income totaled P94 million, vs. net loss of P112 million last year.

BALANCE SHEET MOVEMENTS

December 31, 2024 versus December 31, 2023

Cash and cash equivalents decreased by ₱12.7 million due to uncollected Receivables. Receivables increased by ₱12.9 million for the same reason. Advances to suppliers increased by ₱35.9 million due to required down payments and longer lead times.

Financial assets designated at fair value increased by ₱12 million attributable to the general appreciation of quoted instruments. Deferred tax assets increased by ₱71 million mainly due to changes in pension-related adjustments. Other noncurrent assets decreased by ₱18.3 million dues to expensed deferred charges.

The current portion of lease liabilities increased by P0.5 million due to renewed contracts. The current portion of Long-term borrowings decreased by ₱10 million as a result of payments made. Income tax payable increased by ₱0.083 million due to higher net income for the period.

Long-term borrowings decreased by ₱54.6 million due to repayments. The liability for mine rehabilitation costs increased by ₱8.6 million due to changes in year-end estimations. Retirement benefits liability increased by ₱263 million due to changes in actuarial valuation.

The remeasurement gain or loss on the retirement plan decreased by ₱248.6 million due to adjustments in the actuarial valuation estimates. The fair value reserve for financial assets designated at FV increased by ₱11.9 million because of the increase in market prices.

Retained Earnings (Deficit) decreased by ₱104 million as a result of the company's profitable operations.

<u>CAPITAL EXPENDITURES</u>

Capital expenditures for the year totaled ₱440 million, of which ₱155.7 million went to exploration; ₱88.0 million to mine development; ₱28.5 million to tailings dam maintenance; and ₱167.9 million to machinery and equipment. In 2023, Capex totaled ₱358.7 million, of which ₱134.0 million went to exploration; ₱86.8 million to mine development; ₱26.4 million to tailings dam maintenance; and ₱111.6 million to machinery and equipment.

<u>TRENDS, EVENTS OR UNCERTAINTIES</u>

Capex as detailed above is expected to access better grade ore, improve mining tonnage and metal recoveries.

Prices of gold and silver are expected to remain high or improve further and can hopefully offset the inflationary pressures on the cost of materials and equipment.

There are no known events that can trigger direct or contingent financial obligation that is material to the Company, nor are there any projected significant elements of income or losses in the Company's mining operations.

<u>SUBSIDIARIES</u>

The key performance indicator used for the subsidiaries is net income of the year versus the previous year.

Diamond Drilling Corporation of the Philippines reported a lower net income, ₱5.8 million compared with ₱15 million net income last year, due to higher usage and cost of materials. Lepanto Investment and Development Corporation reported a net loss of ₱0.167 million compared with last year's net loss of ₱0.011 million because of changes in its quoted instruments. Shipside, Incorporated recorded a net income of ₱5.0 million, a reversal from last year's net loss of ₱2.3 million due to higher hauling revenues and reduced administrative expenses.

* - **<u>KEY PERFORMANCE INDICATORS-LCMC</u>**

Tonnes Milled which indicate the amount of ore taken for processing, **Milled Head** is the amount of gold per ton milled and **Gold production** which is the final product of the operations. **Metal sales**, **Cost and Expenses** and **Net Income** round up the review process on how the company is performing vis-à-vis the performance of the same period last year. **Average Gold price** for the period adds another parameter that needs watching notwithstanding that the company has no direct in

2023

Consolidated revenues for the year 2023 amounted to ₱2,488 million compared with ₱1,858 million in 2022. Net losses have been declining steadily in the last five years, and in 2023, by 78% from ₱494.8 million to ₱107.5 million.

Mining Operations

2023 versus 2022

Dore production contained 22,570 oz. of gold, 18% better than last year, and 42,767 oz. silver, 12% lower than last year.

Gold price averaged US$1,945.26/oz. versus US$1,787.14/oz. while silver price averaged US$23.28/oz. versus US$21.69/oz. last year. The ₱/US$ exchange rate averaged ₱55.53/US$1 compared with ₱54.76/US$1 last year. All these factors contributed to the 34% increase in revenues, from P1,853 million to P2,481 million.

Increases in gold production and prices, and the weakening of the Peso against the US$, resulted in a 34% increase in revenues but costs remained high, increasing by 8% to ₱2,564 million. Mining cost totaled ₱767.5 million, almost unchanged from last year, while milling cost went up by 20.6% to ₱409.1 million on account of high usage and prices of materials. Depletion increased by ₱19.6 million and depreciation decreased by ₱0.8 million due to capex and certain adjustments. Overhead increased by 6% to ₱418.4 million attributable to indirect production costs. Administration went up by ₱70.3 million because of disallowed input taxes charged as expenses. Production tax increased by 30% to ₱99.5 million due to higher production and metal prices. Other income totaled ₱0.61 million which is lower than last year's ₱23.2 million due to a reduced sale of scrap and other materials. Thus, Loss before income tax amounted to P82.3 million, compared with P496.4 million last year. After Provision for Deferred Income Tax of P30.7 million, Net Loss totaled P113.0 million, vs. P495.4 million last year.

BALANCE SHEET MOVEMENTS

December 31, 2023 versus December 31, 2022

Cash and cash equivalents increased by ₱21.25 million on account of improved operations. Receivables decreased by ₱29.0 million due to timely collection of customers' accounts. Inventories went down by ₱41.6 million due to usage.

Right-of-use assets decreased by ₱7.8 million due to period adjustments pertaining to leased properties. Financial assets designated at fair value increased by ₱19.4 million attributable to the general appreciation of quoted instruments. Deferred tax assets decreased by ₱23.0 million related to the adjustments as to the pension liability. Other noncurrent assets increased by ₱137.2 million due to recognized deferred charges.

The current portions of lease liabilities and long-term borrowings decreased by ₱6.2 million and ₱12.0 million, respectively, as a result of payments made. Income tax payable decreased by ₱3.3 million on account of the Group's net loss position. The non-current portion of long-term liabilities increased by ₱9.0 million due to additional capitalized interest and other charges in connection with loan restructuring. Retirement benefits liability decreased by ₱79.8 million and liability for mine rehabilitation costs increased by ₱2.5 million due to changes in their yearend estimations.

Equity items particularly re-measurement gain or loss on retirement plan and fair value of financial assets decreased by ₱21.9 million and increased by ₱19.0 million, respectively, as a result of current year adjustments. Deficit increased by ₱108.6 million.

CAPITAL EXPENDITURES

Capital expenditures for the year totaled ₱358.7 million, of which ₱134.0 million went to exploration; ₱86.8 million to mine development; ₱26.4 million to tailings dam maintenance; and ₱111.6 million to machinery and equipment.

TRENDS, EVENTS OR UNCERTAINTIES

Budgeted Capex as discussed above are expected to allow access to ores of better grade, improve mining tonnage and metal recoveries and ultimately, gold production.

There are no known events that can trigger direct or contingent financial obligation that is material to the Company. Neither are there any projected significant elements of income or losses in the Company's mining operations, nor off-balance sheet transactions, arrangements, or obligations and other relationships with unconsolidated entities during the period.

Prices of gold and silver are expected to remain high or improve further and can hopefully offset the inflationary pressures on the cost of materials and equipment.

SUBSIDIARIES

The key performance indicator used for the subsidiaries is net income of the year versus the previous year.

Diamond Drilling Corporation of the Philippines reported a net income of ₱12.3 million compared with ₱9.6 million net loss last year. Lepanto Investment and Development Corporation reported a net loss of ₱0.26 million compared with last year's net loss of ₱0.30 million. Shipside, Incorporated registered a net loss of ₱2.5 million against last year's net income of ₱12.6 million.

*** - KEY PERFORMANCE INDICATORS-LCMC**

Tonnes Milled which indicate the amount of ore taken for processing, **Milled Head** is the amount of gold per ton milled and **Gold production** which is the final product of the operations. **Metal sales**, **Cost and Expenses** and **Net Income** round up the review process on how the company is performing vis-à-vis the performance of the same period last year. **Average Gold price** for the period adds another parameter that needs watching notwithstanding that the company has no direct influence on its movement.

2022

Consolidated revenues for the year 2022 amounted to ₱1,858 million compared with ₱1,585 million in 2021. Net loss declined from ₱514.5 million to ₱494.8 million or 3.8%.

Mining Operations

2022 versus 2021

Dore production contained 19,099 oz. of gold and 48,669 oz. of silver compared with 17,039 oz. of gold and 53,916 oz. of silver last year.

Gold price averaged US$1,787.14/oz. versus US$1,796.62/oz. while silver price averaged US$21.69/oz. versus US$25.36/oz. last year. The ₱/US$ exchange rate averaged ₱54.76/US$1 compared with ₱49.23/US$1 last year.

Total cost and expenses increased by ₱255.5 million or 12% on account of higher mining and milling tonnages and cost of materials. Mining cost increased to ₱766.2 million from ₱709.8 million while milling cost also went up to

₱411.5 million from ₱339.2 million. Depletion and depreciation increased by ₱10.1 million and ₱21.2 million, respectively due to the higher tonnage and capex.

Production tax increased by 22% to ₱76.3 million due to higher production. Finance cost increased to ₱69.3 million from ₱57.2 million attributable to debt restructuring. Other income totaled ₱23.2 million which is lower than last year's ₱63.8 million due to the gain of remeasurement of the Mine Rehabilitation Liability recognized last year.

BALANCE SHEET MOVEMENTS

December 31, 2022 versus December 31, 2021

Cash and cash equivalents increased by ₱17.9 million on account of improved operations. Receivables decreased by ₱9.6 million due to timely collection of customer and subsidiary accounts. Prepayments and other current assets decreased by ₱56.4 million resulting from reconciliation of advances to suppliers' and contractors' accounts.

Financial assets designated at their fair values increased by ₱11.2 million due to higher quoted prices of investment shares with a corresponding decrease in its fair value reserve in equity of ₱8.5 million. Deferred tax assets decreased by ₱66.0 million related to the remeasurement gain on retirement benefit plans. Such remeasurement resulted to an increase of ₱203.5 million in equity. Other noncurrent assets decreased by ₱15.4 million due to amortization of deferred charges.

Short term borrowings decreased by ₱83.6 million while long term borrowings increased by ₱147.5 million due to debt restructuring. The current portion of lease liabilities increased by ₱1.5 million arising from the recognition of its correct balance of ₱2.3 million at yearend. Retirement benefits liability decreased by ₱256.7 million due to changes in actuarial valuations and mine rehabilitation costs decreased by P2.9 million.

Deficit increased by ₱499.3 million representing the net loss for the period.

CAPITAL EXPENDITURES

Capital expenditures for the year totaled ₱434.0 million, of which ₱201.3 million went to exploration; ₱77.4 million to machinery and equipment and the rest to other projects.

SUBSIDIARIES

The key performance indicator used for the subsidiaries is net income of the year versus the previous year.

Diamond Drilling Corporation of the Philippines reported a net loss of ₱9.6 million compared with ₱17.5 million net loss last year. Lepanto Investment and Development Corporation reported a net loss of ₱0.3 million compared with last year's net income of ₱5.6 million. Shipside, Incorporated registered a net income of ₱12.6 million against last year's net income of ₱11.9 million.

* - **KEY PERFORMANCE INDICATORS-LCMC**

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Securities and Shareholders:

The Company had 27,613 stockholders as of 15 May 2025. Holders of common "A" and common "B" shares number 22,403 and 5,210, respectively.

The Company's securities are listed in the Philippine Stock Exchange. Following are the average quarterly prices for the past two years:

Lepanto "A" (P/share)

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	20 May 2025
Low	0.149	0.133	0.100	0.108	0.107	0.100	0.188	0.078	0.080	0.075	0.067	0.066	0.90	0.082
High	0.151	0.135	0.106	0.113	0.107	0.100	0.091	0.080	0.080	0.077	0.068	0.067	0.93	0.089

Lepanto "B" (P/share)

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	20 May 2024
Low	0.151	0.136	0.119	0.107	0.116	0.094	0.088	0.076	0.082	0.077	0.066	0.067	0.086	0.083
High	0.154	0.136	0.120	0.108	0.117	0.094	0.088	0.078	0.082	0.077	0.067	0.067	0.093	0.084

Top 20 "A" and "B" Stockholders of the Company (as of May 15, 2025)

	Name of Stockholder	Class "A"	% of Ownership
1	F. Yap Securities, Inc.	14,126,348,139	35.48
2	First Metro Investment Corp.	2,550,682,926	6.41
3	Philex Mining Corporation	2,164,240,810	5.44
4	F. Yap Sec., Inc. A/C #CPHC-2	362,240,169	0.91
5	F. Yap Sec., Inc. A/C #CPHC-3	337,989,616	0.85
6	Felcris Hotels & Resorts	310,000,000	0.78
7	F. Yap Sec., Inc. A/C #CPHC-1	301,859,763	0.76
8	Coronet Property Holdings Corp	277,556,566	0.70
9	Bryan Yap	175,915,571	0.44
10	First Metro Investment Corp.	169,762,500	0.43
11	Christine Yap	116,620,522	0.29
12	Felipe U. Yap	86,063,611	0.22
13	Manila Mining Corporation	65,870,000	0.17
14	F. Yap Securities, Inc. A/C No. PKY-89	30,942,477	0.08
15	Allen Jesse C. Mangaoang	30,863,040	0.08
16	Felipe Yap	24,874,960	0.06
17	Christine Karen Uy Yap	24,386,376	0.06
18	Coronet Management, Inc.	23,936,541	0.06
19	F. Yap Securities, Inc. A/C #BSUY	20,643,306	0.05
20	Allen Jesse C. Mangaoang	14,250,000	0.04

	Name of Stockholder	Class "B"	% of Ownership
1	F. Yap Securities, Inc.	8,352,326,256	31.47
2	F. Yap Securities, Inc.	3,761,979,349	14.18
3	F. Yap Securities, Inc. A/C 1411	1,129,238,161	4.26
4	F. Yap Securities, Inc. A/C 5217	1,020,000,000	3.84
5	F. Yap Securities, Inc. A/C 521	1,020,000,000	3.84
6	First Metro Investment Corp.	799,642,268	3.01
7	F. Yap Securities, Inc. A/C 5218	669,905,750	2.64
8	Coronet Property Holdings Corp	447,665,860	1.69
9	F. Yap Securities Inc. A/C 521	323,773.000	1.22
10	F. Yap Securities Inc. A.S.	218,404,905	0.82
11	YHS Holdings Corporation	87,758,339	0.33
12	Felipe U. Yap	54,643,386	0.21
13	Chase Leonard So Yap	50,000,000	0.19
14	David Go Securities Corp.	45,599,783	0.17
15	Luis L. and Teresa M. Oh, Trustees Luis Oh and Teresa Oh Trust Oh	24,365,714	0.09
16	F. Yap Sec., Inc. A/C No. 87-EU	23,014,545	0.09
17	Kathy Sue Trout	22,619,631	0.09
18	Allen Jesse C. Mangaoang	20,926,892	0.08
17	F. Yap Sec., Inc. A/C #PKY-89	20,577,792	0.08
18	F. Yap Sec., Inc. A/C #BSUY	20,302,971	0.08
19	Felcris Realty Investment Corp.	19,769,688	0.08
20	Coronet Management, Inc.	17,566,841	0.07

Recent Sales of Unregistered or Exempt Securities

There were no sales of unregistered or exempt securities after 2017.

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).

Due to operational losses, there have been no dividends declared in the last two years.

Compliance with Leading Practices on Corporate Governance

Lepanto has revised its Corporate Governance Manual to comply with SEC regulations and institutionalize the principles of good governance in the entire organization. Pursuant to the said Revised Manual, the Company's Board of Directors have constituted the following committees: Audit and Board Risk Oversight Committee; Compensation and Remuneration Committee and the Nomination Committee. The Board of Directors is composed of highly qualified and competent individuals who excel in their respective fields. The members of the Board assess the Board's performance pursuant to good corporate governance principles.

The performance and qualifications of nominees are reviewed by the Nomination Committee. All directors and senior officers regularly attend seminars on corporate governance. The Company's Board of Directors formalized existing good governance practices by approving in 2014 various policies/codes, namely: Conflict of Interest Policy; Related Party Transactions Policy; Insider Trading Policy; Health Policy; and Whistleblower Policy. The Board Charter was formalized in 2024.

Through regular board and committee meetings, compliance with the principles of good governance are monitored. Furthermore, the Audit Committee Charter has been revised to comply with SEC Memorandum Circular No. 4, Series of 1990, pursuant to which the performance of the Committee shall be regularly reviewed.

The performance of managers is also reviewed periodically and senior officers report to the Board of Directors. Regular meetings are held in the head office and in the mine to keep concerned officers apprised of any developments concerning production, finances, safety programs, community relations and environmental programs, and good governance, marketing, legal and human resource matters as well as of the company's compliance with pertinent regulations.

No deviation from the Company's Manual on Corporate Governance has been noted by the Company.

ANNEX ""1"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, RAY C. ESPINOSA, Filipino, of legal age and a resident of Unit 25H, One McKinley Place, 26th Street, Crescent Park West, Bonifacio Global City, Taguig, Metro Manila, after having been duly sworn in accordance with the law do hereby declare that:

1. I am a nominee for Independent Director of Lepanto Consolidated Mining Company and have been an independent director since April 18, 2005.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Please see attached Annex		
"A"		

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Lepanto Consolidated Mining Company, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following direct/officer/substantial shareholders of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/ I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

Offense Charged/ Investigated	Tribunal or Agency Involved	Status
N/A		

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the ___N/A________ to be an independent director in ____N/A____, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and Other SEC issuances.

8. I shall inform the Corporate Secretary of Lepanto Consolidated Mining Company of any changes in the abovementioned information within five days from its occurrence.

Done, this MAY 14 2025 day of May 2025 at Pasig City

RAY C. ESPINOSA
Affiant

SUBSCRIBED AND SWORN to before me this MAY 14 2025 day of May 2025 at Pasig City affiant personally appeared before me and exhibited to me his Passport No. P7383209B issued on Aug. 12, 2021 by DFA Manila

Doc. No: 482
Page No: 98
Book No. 2
Series of 2025

CAMILLE MARIA C. CASTOLO
Appointment No. 141
Notary Public for Pasig City
Until December 31, 2025
9th Floor, Tower 1, Rockwell Business Center,
Ortigas Ave., Pasig City
Roll of Attorneys No. 63466
PTR No. AA 3040618/06 Jan 2025/Pasig City
IBP No. 494383/02 Jan 2025/Makati City Chapter

List of Directorships - as of May 13, 2025 **ANNEX A**

1. AGN Philippines, Inc. – Co-Chairman of the Board
2. Aurora Managed Power Services Inc. – Chairman of the Board
3. BTF Holdings, Inc – Director
4. BTF Properties, Inc. - Director
5. Beacon Electric Asset Holdings, Inc – Director
6. Bell Telecommunication Philippines, Inc. – Co-Chairman of the Board
7. Bow Arken Holding Company, Inc. – Co-Chairman of the Board
8. Brightshare Holdings Corporation – Co-Chairman of the Board
9. Chromite Gas Holdings Inc. – Chairman of the Board
10. CIS Bayad Center, Inc. – Chairman of the Board
11. Cobaltpoint Telecom, Inc. – Co-Chairman of the Board
12. Connectivity Unlimited Resource Enterprise Inc. – Director
13. Corporate Information Solutions, Inc. – Chairman of the Board
14. Dominer Pointe, Inc. – Co-Chairman of the Board
15. Eastern Telecommunications Philippines, Inc. – Co-President
16. EEI Corporation – Independent Director
17. Enterprise Investments Holdings, Inc. – Director
18. e-Meralco Ventures, Inc. – Chairman of the Board
19. ePLDT, Inc. – Director
20. eTelco, Inc. – Co-Chairman of the Board
21. ESPI Real Estate Ventures Inc. – President
22. Excellent Energy Resources Inc. – Director
23. First Agri Holdings Corporation – President and Director
24. First Coconut Manufacturing Inc. – Vice Chairman of the Board
25. First Delta Group Security Services, Inc. – Director
26. First Pacific Leadership Academy, Inc.- Trustee
27. Hi Frequency Telecommunications, Inc. – Co-Chairman of the Board
28. Ilijan Primeline Industrial Estate Corporation – Director
29. Lepanto Consolidated Mining Company - Independent Director
30. Liberty Telecom Holdings, Inc. – Co-Chairman of the Board
31. Linseed Field Corporation – Director
32. Manila Electric Company –Director
33. Maya Bank, Inc. - Director
34. Mediaquest Holdings, Inc. – Director
35. Meralco Powergen Corporation – Director and Vice Chairman
36. Meridian Power Ventures Limited - Director
37. Metro Pacific Assets Holdings, Inc. – Director
38. Metro Pacific Holdings, Inc. – Director
39. Metro Pacific Investments Corporation - Director
40. Metro Pacific Resources, Inc. – Director
41. M Pioneer Insurance, Inc. – Chairman of the Board
42. Multi Technology Investments Holdings, Inc. – Co-Chairman of the Board
43. MVP Rewards and Loyalty Solutions Inc. – Director
44. New Century Telecoms, Inc. –Co-Chairman of the Board
45. One Meralco Foundation, Inc. –Vice Chairman and Trustee
46. Pacific Aurora Plantation Corp. – Vice Chairman of the Board
47. Pacific Global One Aviation Company, Inc. – Director
48. Pacific Light Power PTE LTD (Singapore Company) – Director
49. Pacific Light Renewables Pte. Ltd. (Singapore Company) – Director
50. Paragon Vertical Corporation – Chairman of the Board
51. Perchpoint Holdings, Inc. – Co-Chairman of the Board
52. PH Broadband Networks Holdings, Inc.– Co-Chairman of the Board
53. PH Communications Holdings Corporation – Director
54. Philippine Telecommunications Investment Corp. – Director and Corporate Secretary
55. Pilipinas Global Network Limited – Director
56. Pilipinas Pacific Telecom Holdings, Inc. – Asst. Corporate Secretary
57. PLDT, Inc. – Director
58. PLDT - Beneficial Trust Fund - Vice Chairman and Trustee

59. PLDT Capital PTE Ltd. – Director
60. PLDT Communications and Energy Ventures, Inc. – President and Director
61. PLDT Digital Investments PTE Ltd – Director
62. PLDT Global Investments Corporation – Director
63. PLDT Global Investments Holdings, Inc. – Director
64. PLDT Online Investments PTE Ltd - Director
65. Power Smart Capital Limited – Director
66. PXP Energy Corporation – Director
67. Radius Telecoms, Inc. – Chairman of the Board
68. Roxas Power Corporation – Director
69. Skyphone Logistics, Inc. – Co-Chairman of the Board
70. Somete Logistics & Development Corporation – Co-Chairman of the Board
71. South Premiere Power Corporation – Director
72. Smart Communications, Inc. - Director
73. Talas Data Intelligence Inc. – Director
74. Telecommunications Service Providers, Inc. – Director
75. Telecommunication Technologies Philippines, Inc. –Co-President and Co-Chairman of the Board
76. Tori Spectrum Telecom, Inc. – Co-Chairman of the Board
77. Two Cassandra - CCI Conglomerate, Inc. – Co-Chairman of the Board
78. Two Rivers Pacific Holdings Corporation – Director
79. Vega Telecom, Inc. – Co-Chairman
80. WREIT, Inc. – Independent Director

ANNEX "2"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **VAL ANTONIO B. SUAREZ,** of legal age, Filipino, with postal office address at Unit 5C OPL Building, 100 C. Palanca Street, Legaspi Village, Makati City 1229, after having been duly sworn in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of Lepanto Consolidated Mining Company and have been an independent director since April 18, 2011.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Suarez & Reyes Law Offices	Managing Partner	2000 to Present
Lepanto Consolidated Mining Company	Independent Director; Member, Executive Committee and Audit Committee	2011 to Present
Filinvest REIT Corp.	Lead Independent Director; Member, Audit & Risk Management Oversight Committee; Chairman, Compensation Committee; Chairman, Corporate Governance Committee; Member, Related-Party Transaction Committee	2017 to Present
Tayabas Resources Ventures Corporation	Corporate Secretary	2003 to Present
Southeast Cable TV Corporation	Corporate Secretary	2003 to Present
Asian Vision Cable Holdings Group	Corporate Secretary	2003 to Present
Ambassador Suarez Development Corporation	Chairman and President	2003 to Present
Five Karats Property Holdings Inc.	Director and Treasurer	2003 to Present
Gendrugs, Inc.	Director and Treasurer	2008 to Present
Amun Ini Resort and Spa, Inc.	Director and Corporate Secretary	2010 to Present
Carmen's Best Dairy Products, Inc.	Director and Corporate Secretary	2011 to Present
Headland Road Capital, Inc.	Chairman and President	2012 to Present
Camiguin Gendrugs, Inc.	Director and President	2013 to Present
Avocado Broadband Telecoms, Inc.	Director and Corporate Secretary	2015 to Present
Gendrugs Distributors Inc.	Director and Treasurer	2016 to Present
Cebu Gendrugs, Inc.	Director and Treasurer	2016 to Present
Chocohills Generics Inc.	Director and Treasurer	2016 to Present
Vertere Global Solutions, Inc.	Chairman	2017 to Present
Vertere Venture Capital, Inc.	Director	2017 to Present
R&S Development Corporation	Chairman and President	2017 to Present
Suarez Bridge Ventures, Inc.	Chairman and President	2018 to Present
Mactan Gendrugs, Inc.	Director and Treasurer	2019 to Present
AB Capital & Investment Corporation	Corporate Secretary	2021 to Present
Zamgen, Inc.	Director and Treasurer	2022 to Present
Skin Adept Clinic and Surgicenter, Inc.	Corporate Secretary	2022 to Present
Financial Executives Institute of the Philippines	Member	2010 to Present
Integrated Bar of the Philippines- Makati	Member	1986 to Present
Filinvest Land, Inc.	Independent Director	2015 to April 2024
Filinvest Development Corporation	Independent Director	2015 to April 2024

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Lepanto Consolidated Mining Company, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following direct/officer/substantial shareholders of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
N/A		

5. I disclose that I [together with the other members of the Board of Directors of Filinvest Land, Inc. (FLI)] am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

Offense Charged/ Investigated	Tribunal or Agency Involved	Status
Complaint for Syndicated Estafa filed by Manila Paper Mills International, Inc. (MPMI) dated April 12, 2016	Department of Justice	Petition for Review pending after Complaint was dismissed by City Prosecutor of Dasmariñas for no probable cause*

* In its Resolution dated November 16, 2016 ("Resolution"), the Office of the City Prosecutor Dasmariñas ruled against MPMII, finding that there was no probable cause to charge the respondents and upholding the validity of FLI's titles to the property. MPMII then filed with the Secretary of Justice (SOJ) a Petition for Review dated February 21, 2017 questioning the Resolution. On March 21, 2017, the respondents who are directors and officers of FLI filed their Comment on the Petition. The Petition is still pending resolution by the SOJ.

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the N/A to be an independent director in N/A, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and Other SEC issuances.

8. I shall inform the Corporate Secretary of Lepanto Consolidated Mining Company of any changes in the abovementioned information within five days from its occurrence.

Done, this 05 MAY 2025 day of May 2025 at Makati City.

VAL ANTONIO B. SUAREZ
Affiant

SUBSCRIBED AND SWORN to before me this 05 MAY 2025 at Makati City, affiant personally appeared before me and exhibited to me his IBP Lifetime Member No. 01967 issued by the Integrated Bar of the Philippines in Pasig City.

Doc. No. 456;
Page No. 93;
Book No. XXX;
Series of 2025.

MA. ESMERALDA R. CUNANAN
Notary Public for and in Makati City
Until December 31, 2025
Appt. No. M-013 (2024-2025) Makati City
Attorney's Roll No. 34562
MCLE Compliance No. VIII-0009662/valid until 4-14-2028
PTR No. 10467303/1-2-2025/Makati City
IBP Lifetime Member No. 05413
5/F Dela Rosa Carpark I, Dela Rosa St
Legaspi Village, Makati City

ANNEX "D"

PERFORMANCE EVALUATION FORM

For Members of the Board of Directors

LEPANTO CONSOLIDATED MINING COMPANY

for the year 2024

For each of the following statements, please rate the Board's performance by checking a number between 1 and 5, with 1 indicating that you strongly disagree, and 5 indicating that you strongly agree, with the statement. Check 0 if the point is not applicable or you do not have enough knowledge or information to rank the Corporation's board on a particular statement.

	AVERAGE SCORE
Composition and Quality	
The board demonstrates integrity, credibility, trustworthiness, active participation, an ability to handle conflict constructively, strong interpersonal skills, and the willingness to address issues proactively.	4.8
The board demonstrates appropriate industry knowledge and includes a diversity of experiences and backgrounds.	4.8
The independent directors meet all applicable independence requirements.	4.0
The board participates in a continuing education program to enhance its members' understanding of relevant risk, reporting, regulatory, and industry issues.	4.8
The board monitors compliance with corporate governance regulations and guidelines.	4.8
Understanding the business, including Risks	
The board takes into account significant risks that may directly or indirectly affect the Corporation. Examples include: • Regulatory and legal requirements • Financing and liquidity needs • Financial exposures • Business continuity • Reputation • Strategy execution • Management's capabilities • Fraud control	4.8
The board considers, understands, and approves the process implemented by management to effectively identify, assess, and respond to the organization's key risks.	4.8
The Board adequately monitors financial indicators to determine if the Company performs as projected.	4.8

	AVERAGE SCORE
Process and Procedures	
The board meets regularly.	5.0
The board chairman encourages inputs on meeting agenda from board members and management.	4.6
The agenda and related information are circulated in advance of meetings to allow board members sufficient time to study and understand the information.	5.0
Written materials provided to board members are relevant and concise.	5.0
The board respects the line between oversight and management.	5.0
Minutes of meetings are accurate.	5.0
Board members come to meetings well prepared.	4.8
Disclosures are discussed at the Board level.	4.8
Directors have sufficient access to officers outside Board meetings.	4.8
There is adequate opportunity for informal discussions among the Board members to foster good working relationships among the members.	4.0
Ethics and Compliance	
Board members oversee the process and are notified of communications received from governmental or regulatory agencies related to alleged violations or areas of non-compliance.	4.2
The board determines that there is a senior-level person designated to understand relevant legal and regulatory requirements.	4.2
The Board place the best interests of the Company above those of any individual Directors.	5
Oversight of the Financial Reporting Process, including Internal Controls	
The Board monitors and approves the Company's financial statements and ensures that financial statements filed with regulatory authorities are and present a fair and true picture of the company's financial standing.	5
The board reviews the Corporation's significant accounting policies.	5
The board ensures that management takes action to achieve resolution when there are repeat comments or directives from regulators.	5

	AVERAGE SCORE
Oversight of Audit Functions	
The board, through the Audit Committee, understands the coordination of work between the independent and internal auditors and clearly articulates its expectations of each.	4.2
The board, through the Audit Committee, appropriately considers internal audit reports, management’s responses, and steps toward improvement.	4.2
The board oversees the role of the independent auditor from selection to termination and has an effective process to evaluate the independent auditor’s qualifications and performance.	5
The board, through the Audit Committee, considers the independent audit plan and provides recommendations.	4.2
The board, through the Audit Committee, reviews the audit fees paid to the independent auditor.	4.0
The board is consulted when management is seeking a second opinion on an accounting or auditing matter.	4.2

Lepanto Consolidated Mining Company

8 May 2025

MARKET & SECURITIES REGULATION DEPARTMENT
SECURITIES AND EXCHANGE COMMISSION
The SEC Headquarters, 7907 Makati Avenue
Salcedo Village, Bel-Air, Makati City

Subject: Annual Stockholders' Meeting on 16 June 2025 via remote access communication

Gentlemen:

This certifies that none of the nominees for Directors this year or incumbent officers of Lepanto Consolidated Mining Company are government employees.

Very truly yours,

ODETTE A. JAVIER
Vice President and
Asst. Corporate Secretary

LEPANTO CONSOLIDATED MINING CO.

Lepanto Building, 8747 Paseo de Roxas, 1226 City of Makati, Philippines

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Lepanto Consolidated Mining Company** 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:

MA. LOURDES B. TUASON
Vice President - Treasurer
SSS#03-2082979-6

Signed this April 29, 2025.

Surface Mail: P.O. Box 1460, Makati Central Post Office, 1226, City of Makati, Philippines
Air Mail: P.O. Box 7507, Domestic Airport Post Office, 1300, Domestic Road, Pasay City, Philippines
Telephone No. (0632) 815-9447; Fax No. (0632) 810-5583; E-Mail – info@lepantomining.com

MAKATI CITY APR 30 2025

SUBSCRIBED AND SWORN TO before me this ____ 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
MA. LOURDES B. TUASON	-	03-2082979-6

Doc. No. 384
Page No. 78
Book No. XVII
Series of 2025.

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2026
IBP No.656155 Lifetime Member
MCLE Compliance No. VII-C022734
Appointment No. M-027(2025-2026)
PTR No. J465005 Jan. 2, 2025
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg
Brgy Pio Del Pilar, Makati City

COVER SHEET

1	0	1							

S.E.C. Registration Number

L E P A N T O   C O N S O L I D A T E D   M I N I N G   C O

(Company's Full Name)

2 1 S T   F L O O R   L E P A N T O   B U I L D I N G

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

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

ODETTE A. JAVIER

Contact Person

815-9447

Company Telephone Number

1 2 | 3 1

Month Day

Fiscal Year

FORM TYPE

1 7 - Q

FORM TYPE

3rd Monday of April

Month Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = please use **black ink** for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended: **March 31, 2025**

2. Commission identification number: **101** 3. BIR Tax Identification No.: **000-160-247**

4. Exact name of issuer as specified in its charter:

LEPANTO CONSOLIDATED MINING COMPANY

5. Province, country or other jurisdiction of incorporation or organization:
Makati City, Philippines

6. Industry Classification Code: [   ] (SEC Use Only)

7. Address of issuer's principal office:

   21st Floor, Lepanto Building
   8747 Paseo de Roxas, Makati City, Philippines

8. Issuer'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 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding:
Class "A"	**39,822,869,196**
Class "B"	**26,552,888,901**

Amount of Debt Outstanding: **Please refer to the attached Balance Sheet (Annex "B")**

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [x]   No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein.

    Philippine Stock Exchange   **Classes "A' and "B"**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 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 twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [**x**]   No [ ]

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

Yes [ ]   No [**x**]

PART I- FINANCIAL INFORMATION

Item 1. Financial Statements:	*Income Statement*	***- Annex "A"***
	Balance Sheet	***- Annex "B"***
	Statement of Cash Flow	***- Annex "C"***
	Stockholders' Equity	***- Annex "D"***
	Notes to Financial Statements	***- Annex "E"***
	Aging of Accounts Receivable-Trade	***- Annex "F"***
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations		***- Annex "G"***
Item 3. Impact of Current Global Financial Condition		***- Annex "H"***
Item 4. Financial Ratios		***- Annex "I"***

PART II- OTHER INFORMATION (None)

SIGNATURES

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

Issuer	:	**LEPANTO CONSOLIDATED MINING COMPANY**
Signature	:	**RAMON T. DIOKNO**
Title	:	Chief Finance Officer
Date	:	May 15, 2025
Signature	:	**ODETTE A. JAVIER**
Title	:	Vice President/Assistant Corporate Secretary
Date	:	May 15, 2025

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE PERIODS ENDED MARCH 31, 2025
(With Comparative Figures for 2024)
(Amounts In Thousand , Except Earnings (Loss) Per Share)

	FOR THE FIRST QUARTER	
	2025	**2024**
REVENUES		
Sale of metals	1,128,931	666,668
Service fees and other operating income	7,217	20,687
	1,136,148	687,355
COSTS AND EXPENSES		
Mining, milling, roasting, smelting, refining and and other related charges; administrative expenses; depreciation, amortization and depletion; and other charges	(741,968)	(701,205)
INCOME (LOSS) FROM OPERATIONS	394,180	(13,850)
FINANCE COST, net	(8,632)	(6,639)
FOREIGN EXCHANGE GAINS (LOSS), net	(642)	432
OTHER INCOME (CHARGES), net	6,549	4,030
SHARE IN NET EARNINGS (LOSSES)	-	-
OF ASSOCIATES	(182)	(1,435)
INCOME (LOSS) BEFORE INCOME TAX	391,273	(17,463)
PROVISION FOR (BENEFIT FROM) INCOME TAX		
CURRENT	234	-
DEFERRED	440	-
	674	-
NET INCOME (LOSS)	390,599	(17,463)
Attributable to:		
Stockholders of the parent company	390,937	(17,463)
Non-controlling interests	(338)	-
Net Income / (Loss)	390,599	(17,463)
BASIC/DILUTED EARNINGS (LOSS) PER SHARE	0.00000588	(0.00000026)

ANNEX "B"

LEPANTO CONSOLIDATED MINING COMPANY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in thousands)

	MARCH 31 2025	*DECEMBER 31 2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalent	225,203	62,112
Receivables, net	302,331	62,669
Inventories, net	475,446	522,118
Advances to suppliers and contractors	165,972	94,488
Other current assets	437,383	492,235
Total current assets	**1,606,335**	**1,233,622**
NON-CURRENT ASSETS		
Property, plant and equipment	6,151,634	6,125,470
Available-for-sale financial assets	78,114	78,114
Investments and advances in associates	435,773	435,761
Mine exploration cost	7,081,805	7,081,745
Deferred tax assets	228,752	228,752
Other noncurrent assets	677,579	632,951
Total non-current assets	**14,653,657**	**14,582,793**
TOTAL ASSETS	**16,259,992**	**15,816,415**
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade and other payables	2,996,552	2,900,619
Short-term borrowings	9,453	19,215
Lease Liability	2,449	2,449
Income tax payable	438	438
Total current liabilities	**3,008,892**	**2,922,721**
NON-CURRENT LIABILITIES		
Advances from Far Southeast Services Limited	6,378,919	6,378,919
Long-term borrowings	152,977	152,977
Lease Liability	427	427
Liability for mine rehabilitation cost	23,129	22,590
Retirement benefit obligations	1,193,090	1,225,784
Deferred income liabilities	176,325	177,364
Deposit for future stock subscriptions	69,200	69,200
Total non-current liabilities	**7,994,067**	**8,027,261**
TOTAL LIABILITIES	**11,002,959**	**10,949,982**
EQUITY		
Capital stock	6,635,685	6,635,685
Additional paid-in capital	5,077,033	5,077,033
Re-measurement loss on retirement plan	(122,947)	(122,947)
Cumulative changes in fair values of AFS investments	(28,312)	(28,312)
Deficit	(6,559,145)	(6,950,083)
	5,002,314	**4,611,376**
Non-controlling interests	254,719	255,057
Total equity	**5,257,033**	**4,866,433**
TOTAL LIABILITIES AND EQUITY	**16,259,992**	**15,816,415**
	-	-

* - A U D I T E D

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
AS OF MARCH 31, 2025

(With Comparative Figures for 2024)
(Amounts in Thousand Pesos)

	FOR THE QUARTER ENDED MARCH 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income/ (Loss) before tax	391,273	(17,463)
Adjustments for:		
Depreciation and depletion	78,182	106,327
Equity in net losses (income) of affiliated companies	519	(1,435)
Foreign exchange losses (income), net	(642)	(432)
Prior quarter adjustment	-	-
Provision for retirement benefit cost	(32,694)	-
Loss on sale of asset	-	-
Interest income	(6)	(10)
Interest expense	8,632	4,141
Provision for income tax	-	-
Operating income before working capital changes	**445,264**	**91,136**
Decrease (Increase) in:		
Receivables and advances to suppliers	(311,146)	(42,745)
Inventories	46,672	41,576
Prepayments and other assets	54,618	(3,998)
Increase (Decrease) in:	-	-
Accounts payable and accrued expenses	95,933	19,419
Liability for mine rehabilitation cost	-	-
Deferred income tax liability, net	-	-
Cash generated (used) from operations	**331,341**	**105,387**
Retirement benefits paid	-	(22,220)
Interest received	6	10
Net cash provided by (used in) operating activities	**331,347**	**83,177**
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments, net	-	-
Acquisition of property and equipment	(102,421)	(42,560)
Decrease (increase) in other noncurrent assets	(44,161)	-
Advances to an associate:	(194)	-
Exploration costs and other assets	-	(19,344)
Net cash used in investing activities	**(146,776)**	**(61,904)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in advances with FSE	-	-
Proceeds from:	-	-
Borrowings	-	-
Disposal of Assets	-	-
Payments of:	-	-
Borrowings	(2,157)	-
Interest	(9,948)	-
Principal portion of lease liability	(9,377)	-
Movement in NCI	-	-
Net cash provided by financing activities	**(21,482)**	**-**
NET INCREASE (DECREASE) IN CASH	**163,089**	**21,273**
Beginning of period	62,114	74,840
CASH AT END OF THE PERIOD	**225,203**	**96,113**

LEPANTO CONSOLIDATED MINING COMPANY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
AS OF MARCH 31, 2025 & 2024
(Amounts in thousands)

	MARCH 31 2025	MARCH 31 2024
Authorized - ₱ 6.64 billion		
Share capital at par value	P 5,136,596	P 5,136,596
Subscribed capital (net of subscriptions receivable)	1,499,089	1,499,089
Share premium	5,077,033	5,077,033
Cumulative changes in fair values of AFS investments	(28,312)	(40,244)
Re-measurement loss on retirement plan	(122,947)	125,613
Retained earnings		
Beginning balance	(6,950,083)	(7,054,243)
Net Income (Loss) for the period	390,938	(17,463)
	(6,559,145)	(7,071,706)
EQUITY ATTRIBUTABLE TO THE STOCKHOLDERS OF THE PARENT COMPANY	5,002,314	4,726,382
NON-CONTROLLING INTERESTS	254,719	254,373
	5,257,033	**4,980,755**

ANNEX “E”

LEPANTO CONSOLIDATED MINING COMPANY

NOTES TO FINANCIAL STATEMENTS
AS OF MARCH 31, 2025 and DECEMBER 31, 2024

Note 1 - General information

Lepanto Consolidated Mining Company (parent company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on September 8, 1936 primarily to engage in the exploration and mining of gold, silver, copper, lead, zinc and all kinds of ores, metals, minerals, oil, gas and coal and their related by-products. On January 29, 1985, the SEC approved the extension of the parent company’s corporate term for another fifty (50) years after the expiration of its original term on September 8, 1986.

The Parent company’s shares are listed and traded in the Philippine Stock Exchange.

On January 14, 1997, the Parent Company was registered with the Board of Investments (BOI) under Executive Order No. 226 as a new export producer of gold bullion on a preferred non-pioneer status. This registration entitled the Parent Company to a four (4) year income tax holiday (ITH), which can be further extended for another three (3) years subject to compliance with certain conditions, and lower tariff rates on acquisition of capital equipment. It is required to maintain a base equity of at least 25% as one of the conditions of the registration.

On April 1, 1997, the Parent company started the commercial operations of its Victoria Project gold mine. Consequently, in October 1997, the parent company temporarily ceased operating its copper concentrate roasting plant facilities in Isabel, Leyte for an indefinite period. The Roasting plant facility was also registered with the Philippine Economic Zone Authority (PEZA) on December 17, 1985 pursuant to the provisions of Presidential Decree No. 66, as amended, and Executive Order No. 567 as a zone export enterprise to operate a roasting plant for the manufacture of copper calcine at the Isabel Special Export Economic Processing Zone.

On March 30, 2000, the Parent Company registered its copper flotation with the BOI as a new producer of copper concentrates on a preferred non-pioneer status. This registration entitled the Parent Company to a four (4) year ITH, subject to compliance with certain conditions, simplified customs procedures, additional deduction for labor expense, and unrestricted use of consigned equipment for a period of ten (10) years. It is required to maintain a base equity of at least 25% as one of the conditions of the registration. The Copper Flotation project was suspended at the end of 2001; BOI registration was cancelled on July 11, 2006.

On January 5, 2004, the Parent Company was registered with the BOI under Executive Order No. 226 as new export producer of gold bullion on a non-pioneer status, for its Victoria II (renamed Teresa) Project, located also in Mankayan, Benguet, Philippines. This registration entitles the Parent Company to ITH with the same incentives that were granted on their registration with the BOI on January 14, 1997. The Teresa Project commenced its commercial operations in April 2004.

On November 21, 2006, the Parent Company was registered with the BOI under Executive Order No. 226 as new export producer of copper-gold concentrate on a non-pioneer status for its copper-gold flotation project located also in Mankayan, Benguet, Philippines. This registration entitles the Company to ITH for four (4) years, which can be further extended for another three (3) years subject to compliance with certain conditions, and duty-free importation of equipment, spare parts and accessories for five (5) years. The copper-gold flotation operations were suspended in 2009 in view of the sharp decline in copper prices, of which the BOI was notified. In August 2017, the Company notified the BOI that it will resume copper-gold flotation operations in the fourth quarter of 2017.

The registrations mentioned above enable the Parent Company and its subsidiaries to avail of the rights, privileges, and incentives granted to all registered enterprises.

The Parent Company continues to operate the Victoria Project from which it produces gold dore. It commenced commercial operation of the Copper-Gold Project, producing copper-gold concentrate, in October 2017.

The Company has two Mineral Production Sharing Agreements (MPSA), referred to as MPSA No. 001-090-CAR and MPSA No. 151-2000-CAR, both in Mankayan, Benguet.

MPSA No. 001-90-CAR was jointly executed by the Company and subsidiary Far Southeast Gold Resources, Inc. (FSGRI) on March 3, 1990 with the Philippine Government, through the Department of Environment and Natural Resources. The MPSA has a term of 25 years, renewable for another term not exceeding 25 years under the same terms and conditions. The Company and FSGRI filed an application for its renewal on June 4, 2014. The application for renewal of the mining rights is still pending approval as at December 31, 2022.

The Parent Company has its principal office at the 21st Floor, 8747 Lepanto Building, Paseo de Roxas, Makati City.

Note 2 – Compliance with Generally Accepted Accounting Principles

The consolidated financial statements of Lepanto Consolidated Mining Company Group (the Group) have been prepared in accordance with the accounting principles generally accepted in the Philippines. The Group prepared its consolidated financial statements in accordance with Philippine Financial Reporting Standards (PFRS) except for the exemption from the fair value requirement of the Philippine Accounting Standards (PAS) 39, Financial Instruments: Recognition and Measurement, on long term commodity hedging contracts entered into by the parent company and outstanding as of January 1, 2005, which was permitted by the SEC.

The accounting policies adopted in the preparation of the financial statements are consistent with the most recent annual financial statements.

Note 3 – Cash and Cash Equivalents

	03/31/2025	12/31/2024
Cash on hand	3,738,274	2,532,395
Cash in banks	221,468,001	59,581,292
	225,206,275	62,113,688

Cash in banks earn interest at the respective bank deposit rates.

Note 4 – Receivables

	03/31/2025	12/31/2024
Trade	200,697,458	27,295,531
Nontrade	39,795,137	40,809,522
Advances to officers and employees and Stockholders	85,280,160	18,049,841
Less: Allowance for impairment losses	(23,442,065)	(23,485,979)
	302,330,691	62,668,916

The Parent Company's trade receivables arise from its shipments of gold, silver and concentrate to refinery and smelter customer based on contract/agreement.

Trade and nontrade are non-interest bearing and are generally collectible on demand. Nontrade receivables comprise mainly of receivables from subcontractors and other third parties, while receivables from officers and employees pertain to cash advances made by employees for the operations of the Group.

Receivables from officers and employees are non-interest bearing and are generally subject to liquidation. Unliquidated receivables from officers and employees are collectible on demand or considered as salary deduction.

Note 5 – Inventories

	03/31/2025	12/31/2024
Mine Products		64,050,388
Parts and supplies	475,445,627	458,067,138
	475,445,627	522,117,526

Parts and supplies include materials and supplies stored in Metro Manila, Bulacan, Mankayan, and Leyte. The decrease in the amount of ₱ 64.0 million pertains to dore inventory from last year.

Note 6 – Advances to suppliers and contractors

Advances to suppliers and contractors are non-financial assets arising from advanced payments made to suppliers and contractors before goods and services have been received or rendered. These are classified as current since these are expected to be offset against future short-term billings and are recognized in the books at the amounts initially paid.

Advances to suppliers and contractors are attributable to contracts generally requiring advance payments. Amounts deposited will be applied as part of the full payment of the contract price upon completion of the contract or consummation of transactions and receipt of all related documents.

	03/31/2025	12/31/2024
Advances to Suppliers and Contractors	165,971,845	94,487,865

Note 7 – Other current assets

	03/31/2025	12/31/2024
Input VAT	408,657,450	399,330,975
Prepayments	28,204,732	89,929,789
Others	521,099	2,974,432
	437,383,282	492,235,197

Input VAT represents VAT paid on purchases of applicable goods and services. It may be claimed for refund or recovered as tax credit against certain future tax liability of the Company upon approval by the Philippine Bureau of Internal Revenue (BIR) and/or the Philippine Bureau of Customs.

Prepayments include advance payments for taxes, insurance, rent and other services.

Note 8 – Trade and other payables

Composed of trade, due to related parties, accrued expenses and other liabilities, trust receipts, employee related expenses, unclaimed dividends, payables to regulatory authorities, accrued utilities and accrued production tax.

Nature, terms and conditions of the Group's liabilities:

- Trade payables include import and local purchases of equipment and inventories such as various parts and supplies used in the operations of the Group. These are non-interest bearing and are normally settled on sixty (60) days' terms.
- Accrued expenses and other liabilities are noninterest-bearing and are normally settled on a 30 to sixty (60) days' term. These include other operating expenses that are payable to various suppliers and contractors.
- Trust receipts refer to arrangements of the Group with banks related to its importations of inventories and various equipment which are interest bearing and have an average term of ninety (90) to one hundred twenty (120) days.
- Employee related expenses include unclaimed wages, accrued vacation and sick leave and accrued payroll. These are non-interest bearing and are payable in thirty (30) days' term.
- Unclaimed dividends pertain to unpaid cash dividends declared by the Parent Company to its stockholders. These are non-interest bearing and are payable upon demand of the payee.
- Payable to regulatory agencies include withholding taxes and other government contributions related to employees of the Group. These are non-interest bearing and are normally remitted within ten (10) days from the close of each month.
- Accrued utilities pertain to unpaid billings for power, communication, light and water charges. These are non-interest bearing and are normally settled within thirty (30) to ninety (90) days.
- Accrued production taxes pertain to excise taxes on metal sales. These are non-interest bearing and are settled within fifteen (15) days after the end of each quarter.

	03/31/2025	12/31/2024
Trade payable and accrued expenses	2,871,198,698	2,798,786,078
Due to Parent Company/Subsidiaries	98,660,959	75,139,684
Unclaimed Dividends	26,692,894	26,692,894
	2,996,552,551	2,900,618,657

Note 9 - Business Segments

The Group derives revenue from the following main operating business segments:

Mining activities –This segment engages in exploration and mining of gold, silver, copper, lead, zinc and all kinds of ores, metals, minerals, oil, gas, and coal and related by-products.

Investment activities – This segment derives its income as a general agent, broker or factor of any insurance company or as a commercial broker, agent or factor of any person, partnership, corporation or association engaged in any lawful business, industry or enterprise. Income is derived from commissions, which represent income on non-life insurance policies underwritten by a subsidiary for certain principals.

Hauling and Leasing activities – This segment engages in handling all kinds of material, products and supplies in bulk and maintaining and operating terminal facilities such pier and warehouses. Income is derived mainly from hauling fees and warehouse rentals.

Insurance activities – This segment derives its revenues from premiums from short duration insurance contracts, which are recognized over a period of the contracts using the 24th month method.

Drilling activities – This segment derives its income from drilling services to its related and outside parties.

Manufacturing and Trading – This segment derives its revenue from manufacturing, distributing, selling and buying machinery and equipment, general merchandise and articles related to diamond core drilling industry.

The assets, liabilities and results of the business segments of the LCMC Group for the periods ended March 31, 2025 and December 31, 2024 are as follows:

Mining activities

	2025 (in thousands)	2024 (in thousands)
CURRENT ASSET	1,342,182,800	1,057,180,345
NON-CURRENT ASSET	14,196,420,990	14,122,246,754
CURRENT LIABILITES	(3,200,412,414)	(2,804,255,278)
NON-CURRENT LIABILITIES	(7,876,718,386)	(7,911,701,351)
GROSS INCOME	442,630,441	442,573,050
NET INCOME / (LOSS)	395,382,178	123,816,431

Investment activities

	2025 (in thousands)	2024 (in thousands)
CURRENT ASSET	2,858,265	26,346,311
NON-CURRENT ASSET	7,543,355	7,543,355
CURRENT LIABILITES	2,942,245	(20,490,912)
NON-CURRENT LIABILITIES	(12,083,141)	(12,083,141)
GROSS INCOME / LOSS		
NET INCOME / (LOSS)	(54,888)	(377,981)

Hauling and Leasing Activities

	2025 (in thousands)	2024 (in thousands)
CURRENT ASSET	390,326,782	19,235,028
NON-CURRENT ASSET	402,515,317	405,586,980
CURRENT LIABILITES	(17,262,675)	(18,889,100)
NON-CURRENT LIABILITIES	(105,150,173)	(103,359,944)
GROSS INCOME	4,631,587	8,443,250.73
NET INCOME / (LOSS)	(2,978,594)	(14,915,474)

Drilling Activities

	2025 (in thousands)	2024 (in thousands)
CURRENT ASSET	210,553,825	130,861,509
NON-CURRENT ASSET	47,178,083	47,416,188
CURRENT LIABILITES	(133,743,848)	(79,085,816)
NON-CURRENT LIABILITIES	(116,883)	(116,883)
GROSS INCOME		
NET INCOME / (LOSS)	(1,748,598)	(6,543,447)

Note 10 – Seasonality

There is no seasonality or cyclical factors in the company's operations.

ANNEX "F"

LEPANTO CONSOLIDATED MINING COMPANY

AGING OF ACCOUNTS RECEIVABLE - TRADE

AS OF MARCH 31, 2025

C U S T O M E R S	***CURRENT***	***OVER 30 DAYS***	***OVER 60 DAYS***	***TOTAL***
HERAEUS LTD.	146,875,670	-	-	146,875,670
	146,875,670	-	-	146,875,670

ANNEX “G”

MANAGEMENT’s DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS
As of March 31, 2025

Consolidated revenues for the first quarter of 2025 amounted to P1.1 billion compared with P687 million in 2024. Consolidated net income amounted to P391 million, a reversal from last year’s net loss of P17 million.

Mining Operations

January – March 2025 versus January – March 2024

Dore production contained 6,176 ounces of gold and 11,819 ounces of silver versus last year’s 4,943 ounces of gold and 11,805 ounces of silver.

Metal sales rose by 69% to P1.128 billion due to higher production and metal prices as well as the weaker Peso vis-à-vis the US$. A net income of P383 million was recorded compared with last year’s loss of P21 million.

Gold price averaged US$2,889.62/oz. versus US$2,083.03/oz. while silver price averaged US$31.70/oz. versus US$23.16/oz. the preceding year. The P/US$ exchange rate averaged P57.83/US$1 compared with P55.94/US$1 last year.

Tonnage broken decreased from 96,317 tonnes to 94,202 tonnes, resulting in lower mining costs: P178 million compared with P204 million last year. However, tonnage milled increased from 86,757 tonnes to 91,118 tonnes, entailing an increase in the milling cost from P96 million to P114 million. Depletion decreased from P66 million to P58 million primarily due to the lower volume of broken ore. Production tax increased from P23 million to P42 million due to the higher metal sales.

BALANCE SHEET MOVEMENTS

March 31, 2025 versus December 31, 2024

Cash and cash equivalents increased by P163 million, primarily driven by higher cash inflows during the period. The increase of P239 million in receivables primarily pertains to the outstanding balance on a dore shipment. Inventories decreased by P46.0 million as dore inventory from December 2024 was sold in early January. Advances to suppliers and contractors increased by P71 million due to required down payments and longer lead time for deliveries. Additionally, other non-current assets grew by P44 million due to an increase in input VAT.

Short-term borrowings decreased by P9 million as a result of payments made.

The period's operations yielded a net income of P390 million, effectively reducing the deficit by the same amount.

CAPITAL EXPENDITURES

Capital expenditures for the quarter totaled P105.4 million, of which P51.3 million went to exploration; P33.4 million to machinery and equipment; P11.7 million to mine development; and P9 million to maintenance of tailings storage facility 5A.

OUTLOOK FOR THE YEAR

Lepanto will continue producing gold and silver dore from its Victoria and Teresa deposits. Exploration drilling to confirm extensions of the two orebodies will continue.

Capex budget for the year amounts to approximately P700 million, to be funded from operations and which includes purchase of machinery and equipment, mine development, tailings dam maintenance, and exploration.

SUBSIDIARIES

The key performance indicator used for the subsidiaries is net income for the three months ended March 2025 versus the same period of the previous year.

Diamond Drilling Corporation of the Philippines reported a net income of P15 million this year versus P5 million net income last year. Lepanto Investment and Development Corporation incurred a net loss of P0.54 million compared with last year's net loss of P0.377 million. Shipside, Incorporated recorded a net income of P2 million against last year's net income of P4 million.

* - **KEY PERFORMANCE INDICATORS-LCMC**

Tonnes Milled which indicate the amount of ore taken for processing, **Milled Head** is the amount of gold per ton milled and **Gold production** which is the final product of the operations. **Metal sales**, **Cost and Expenses** and **Net Income** round up the review process on how the company is performing vis-à-vis the performance of the same period last year. **Average Gold price** for the period adds another parameter that needs watching notwithstanding that the company has no direct influence on its movement.

ANNEX “H”

LEPANTO CONSOLIDATED MINING COMPANY
Impact of Current Global Financial Condition

Credit Risk

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

All gold exports when priced are practically settled on cash basis. Parent Company’s existing contracts with gold refineries allow for advances of 98% of payable metals paid in two (2) working days from pricing. Full settlement is normally received within three (3) working days.

The Parent Company enters into marketing contracts only with refineries and smelters of established international repute. Since the Parent Company is a primary gold producer, it has an exclusive marketing contracts with Heraeus Ltd.

The Group has a significant concentration of credit risk in relation to its trade receivables from Heraeus Ltd. Such risk is managed by securing the specific approval of the BOD before entering into contracts with refineries and by assessing the creditworthiness of such refineries.

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 agreements for these financial assets.

There is no significant exposure to credit risk.

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 foreign currency exchanges rates, interest rates, equity prices and other market changes.

Foreign Exchange Risk

Foreign exchange risk is the risk to earnings or capital arising from changes in foreign exchange rates. The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its consolidated financial statements and consolidated statements of cash flows.

The Group follows a policy to manage its currency risk by closely monitoring its cash flow position and by providing forecast on all other exposures in non-Philippine Peso currencies.

The Group sells its product to the interstates national market. All metal sales are denominated in US$. Dollar conversion of metal sales to Philippine Peso is based on the prevailing exchange rate at the time of sale. The Group also has purchase transactions denominated in AU$.

No revaluation of Foreign currency-denominated liabilities during the current year. Foreign exchange gain or losses due to the movement of the Philippine peso vis a vis the US$ are recognized at year-end on outstanding US$ denominated assets and liabilities. The gain/(loss) on Philippine peso appreciation/(depreciation) against the dollar as a result of settlement of liabilities is reflected as foreign exchange gain/(loss) in the financial statements.

Interest Rate Risk

The Group's exposure to the risk for changes in market interest rate relates primarily to its long-term borrowings with floating interest rates. The Group regularly monitors its exposure to interest rates movements. Management believes that cash generated from operations is sufficient to pay for its obligations under the loan agreements as they fall due.

Liquidity Risk

Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet maturing obligations from financial instruments or that a market for derivatives may not exist in some circumstances.

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.

Fair Values

PFRS defines fair value as 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. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models, as appropriate.

Cash and Cash Equivalents, Trade Receivables and Trade and Other Payables
The carrying amounts of cash and cash equivalents, receivables and trade and other payables, which are all subject to normal trade credit terms and are short-term in nature, approximate their fair values.

AFS Financial Assets
Fair values of investments are estimated by reference to their quoted market price at the end of the reporting period. Unquoted equity securities are carried at cost, net of impairment in value, since fair value of these AFS securities cannot be reliably determined as these securities are not listed and have no available bid price.

Loans Payable and Borrowings
Carrying value of the loans payable and borrowings as at end of the quarter approximate their fair values. Borrowings from local banks are all clean loans with interest rates of 8.0%.

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES
FINANCIAL RATIOS
PURSUANT TO SRC RULE 68, AS AMENDED
MARCH 31, 2025
(With Comparative Annual Figures for 2024)

	PERIOD ENDED MARCH 31, 2025	YEAR ENDED DECEMBER 31, 2024
Profitability Ratios:		
Return on assets	2.35%	0.65%
Return on equity	7.43%	2.11%
Gross profit margin	39.37%	16.11%
Net profit margin	34.38%	3.67%
Liquidity and Solvency Ratios:		
Current ratio	0.58 :1	0.42 :1
Quick ratio	0.31 :1	0.08 :1
Solvency ratio	0.03 :1	0.01 :1
Financial Leverage Ratios:		
Asset to equity ratio	3.16 :1	3.25 :1
Debt to equity ratio	2.16 :1	2.25 :1
Interest coverage ratio	-44.33 :1	-0.72 :1

REGULAR ANNUAL MEETING OF THE STOCKHOLDERS OF LEPANTO CONSOLIDATED MINING COMPANY

Held through remote communication
via video-conferencing
on Monday, June 10, 2024 at 4:00 P.M.

Directors Present:

FELIPE U. YAP	-	Chairman of the Board/ Chairman, Executive Committee and Corporate Governance Committee
BRYAN U. YAP	-	Director/ Chairman, Nomination Committee, Member, Executive Committee and Stock Option Committee
JAMES PETER ALMAAS	-	Director
MARILYN V. AQUINO	-	Director
DOUGLAS J. KIRWIN	-	Director/ Member, Executive Committee and Stock Option Committee
REGIS V. PUNO	-	Director
CLARK LAWTON S. YAP	-	Director/ Member, Audit Committee
RAY C. ESPINOSA	-	Independent Director/ Chairman, Audit Committee / Member, Nomination, Corporate Governance, Executive and Stock Option Committee
VAL ANTONIO B. SUAREZ	-	Independent Director / Member, Audit, Nomination, Corporate Governance and Executive Committee

Officers Present:

RAMON T. DIOKNO	-	Chief Finance Officer
MA. LOURDES B. TUASON	-	Vice President / Treasurer
RENE F. CHANYUNGCO	-	Vice President-Logistics & Marketing
ODETTE A. JAVIER	-	Vice President / Assistant Corporate Secretary/ Chief Information Officer
PABLO T. AYSON, JR.	-	Vice President-Mining Claims

Stockholders Present: Please refer to Annex "A"

1. Call to order

The Chairman of the Board, Mr. Felipe U. Yap, called the meeting to order and welcomed the stockholders to the meeting. The Assistant Corporate Secretary, Atty. Odette A. Javier, recorded the minutes of the meeting.

The Chairman explained that the meeting was being conducted remotely or via Zoom to avoid any health and safety risks on everyone concerned and in keeping with the IATF safety regulations.

The Chairman explained that the meeting was being conducted remotely or via Zoom to avoid any health and safety risks on everyone concerned and in keeping with the IATF safety regulations.

2. <u>Proof of due notice of meeting and determination of quorum</u>

As the first order of business, the Chairman called upon the Corporate Secretary, Atty. Ethelwoldo E. Fernandez, to present proof that notice of the meeting had been sent out in accordance with the rules of the Securities and Exchange Commission (SEC) and to report on the attendance at the meeting.

The Corporate Secretary confirmed that the Notice with the Agenda of the meeting was published on May 8 and 9, 2024 in the Philippine Star and the Manila Times in accordance with the rules of the SEC. Furthermore, the said Notice and Agenda, together with the Information Statement, were duly disclosed and had been uploaded in the PSE EDGE and on the Company website not later than May 20, 2024.

The Corporate Secretary next reported that with the assistance of the Chief Accountant, Mr. Claude Mark A. Imbat, he had examined all proxies and all powers of attorney filed of record. In addition, he had examined the tally of stockholders who had pre-registered and voted online. Based upon such examination, he declared that out of the 66,355,164,424 shares issued, outstanding and entitled to vote as of April 29, 2024, there were 39,893,061,354 shares considered present at the meeting, or an attendance of 60.12%, and certified that there was a quorum for the business at hand.

The Corporate Secretary said that apart from the Chairman and himself, the other members of the Board were present: the President, Mr. Bryan U. Yap; independent directors Ray C. Espinosa and Val Antonio B. Suarez; as well as Directors Marilyn V. Aquino, Douglas J. Kirwin, Regis V. Puno, and two new nominees for Director: Mr. James Peter Almaas and Mr. Clark Lawton S. Yap.

<u>PROCEDURE FOR DISCUSSION AND VOTING</u>

At the request of the Chairman, the Secretary explained the procedure for discussion and voting:

> The REQUIREMENTS AND PROCEDURE FOR VOTING AND PARTICIPATING in today's meeting are set forth in the Information Statement which has been uploaded in the PSE EDGE and the Company's website. As stated therein, stockholders may participate through remote communication or by Proxy.
>
> Only stockholders who have timely pre-registered or submitted proxies may participate in today's meeting. Those who have pre-registered should have voted on-line on the five resolutions proposed for

adoption by the stockholders and for the nominees for election to the Board of Directors on or before June 3, 2024.

Each proposed resolution will be shown on the screen and read by the Asst. Secretary while the same is being taken up. The total affirmative and negative votes in respect of each resolution or nominee for Director, as well as the abstentions, will be reflected in the minutes.

As of June 3, 2024, after the Proxy validation process, stockholders owning 39,893,061,354 shares representing 60.12% of the total outstanding voting shares had cast their votes on the items for consideration.

Participants may ask questions through the chat facility of Zoom. The questions will be read by the Asst. Secretary after the President's report under Agenda Item No. 4 and they will be addressed accordingly.

For orderly proceedings, the host will mute all audio facilities, so that only the Chairman, and whoever he requests to speak up, will be enabled to speak.

The Chairman inquired whether there were any challenges to the Corporate Secretary's certification of quorum. There being none, the Chairman affirmed the presence of a quorum.

Thereafter, the Chairman directed the Corporate Secretary to spread the Notice of the Regular Annual Meeting in the minutes.

NOTICE OF 2024 ANNUAL STOCKHOLDERS' MEETING

Please be informed that the **Annual Stockholders' Meeting of Lepanto Consolidated Mining Company** will be held on **Monday, June 10, 2024 at 4:00 o'clock p.m.** The Meeting will be conducted virtually via remote access communication and the access link will be provided in the Company's website at **www.lepantomining.com**

The agenda for the Meeting will be as follows:

1. Call to Order
2. Proof of due notice of the meeting and determination of quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on July 17, 2023
4. Approval of the Annual Report
5. Election of Directors
6. Appointment of External Auditor
7. Transaction of such other and further business as may properly come before the Meeting
8. Adjournment

Only stockholders of record as of April 29, 2024 are entitled to notice of, and to vote at, the Meeting. The stock and transfer book of the Company will be closed from April 29, 2024 to the close of business hours on June 10, 2024.

The Definitive Information Statement and Management Report and SEC Form 17-A and other pertinent documents are posted on the Company's website and PSE Edge. Guidelines for registration and participation in the Meeting shall likewise be posted on the Company's website.

Stockholders who intend to participate in the Meeting via remote communication should email on or before June 3, 2024 the Asst. Corporate Secretary at oaj@lepantomining.com a scanned copy of a valid government-issued identification card (ID) for registration and verification purposes. Indirect stockholders should include in their email their broker's certification of shareholding.

Stockholders may also be represented and vote at the Meeting by submitting a Proxy via email to oaj@lepantomining.com together with a government-issued ID. Hardcopies of proxies may also be submitted to the Company's principal office at the 21st Fl., Lepanto Building, 8747 Paseo de Roxas, Makati City. Proxies emailed or submitted after June 3, 2024 shall not be recorded for the Meeting.

Makati City, 6 May 2024.

ETHELWOLDO E. FERNANDEZ
Corporate Secretary

3. Approval of minutes

The Chairman noted for the record that the draft minutes of the regular annual meeting of July 17, 2023 was uploaded on the Lepanto website about two weeks ago. He then submitted the minutes for the consideration and approval of the stockholders.

The Chairman asked the Asst. Corporate Secretary to present the resolution for approval by the stockholders. The resolution was shown on the screen and read by the Asst. Corporate Secretary, to wit:

> *RESOLVED, THAT THE STOCKHOLDERS of Lepanto Consolidated Mining Company approve the minutes of the annual meeting of stockholders held on July 17, 2023.*

The Corporate Secretary informed the body that shareholders representing 39,893,061,354 shares, or 100% of the shares present or represented at the meeting, have voted to approve the said minutes.

The Chairman thus declared that the Minutes of the Annual Meeting of the Stockholders held on July 17, 2023 have been approved.

4. Approval of Annual Report

The Chairman noted that the 2023 Annual Report, as part of the Information Statement, was made available to all stockholders through the Company's website.

The Chairman made his report to the stockholders, as follows:

> *2023 proved to be a better year than the previous year and, in fact, a major improvement compared with the results of the past four years.*
>
> *Our Victoria and Teresa operations produced 22,570 oz of gold and 42,767 oz of silver compared with 19,099 oz of gold and 48,669 oz of silver the previous year. Gold price averaged US $1,945.26 versus US $1,787.14, while silver price averaged US $23.28 versus US $21.69 last year. Consolidated revenues amounted to P 2.449 Billion, a 34% increase over the previous year, and our net loss dropped by 78% to P 107.5 Million from P 495 Million last year.*
>
> *The substantial advances that have been achieved in our gold production and financials have been mainly due to our efforts over the past years to:*
>
> - *Strictly adhere to our mine plan supported by confirmatory drilling and grade control;*
> - *Upgrade of our mine and mill equipment*
> - *More stringent control of our operating and capital*

expenditures; and of late the upsurge in metal prices.

We foresee better results this year, given the gold production of 8,879 oz, net revenue of P 1.12 Billion and a net income of P 15.98 Million for the first 5 months of 2024.

We started formally pursuing in late 2023 the Free and Prior Informal Content (FPIC) of the Mankayan indigenous people as a last step towards the renewal of our MPSA No. 001-90-CAR. With the generally favorable response we have received from the Community, we remain focused on obtaining the FPIC at the soonest possible time which will redound to opportunities benefitting both the Company and the Community.

It should also be mentioned that we are in dialogue with Gold Fields on the matter of the Far Southeast. As you know, their exploration work which has been completed has resulted in the estimation of an inferred mineral resource consisting of 19.8 million oz. Au and 4.45 million tons Cu. Unfortunately, the unfavorable investment climate and the pandemic put a hold on further developments. Gold Fields has been expressing their intention to terminate the Option and Shareholders' Agreement. We expect to clarify and resolve this matter in due course and we cannot comment further at this time until the matter is resolved.

I wish to take this opportunity to express our gratitude, on behalf of the Board, to an individual who since 1970 has been an indispensable part of our corporate life. He was with us through both the good and rough times, but it was during the most trying times, battling the challenging issues of the day, when he was most brilliant, most helpful, and most dependable. He has expressed his desire to retire from the board after 16 years as Director, and after serving as Corporate Secretary/Assistant Corporate Secretary for 46 years. Our beloved Woldy Fernandez, we cannot thank you enough.

We also extend our heartfelt gratitude to our stakeholders:

- *For the wise counsel of our Board;*
- *For the resoluteness of our officers and employees;*
- *For the steadfastness of our suppliers and banks;*

For the continued support and assistance of our legal counsels, external auditors; banks and of course the Mankayan Community and LGU with whom we share a common aspiration of a better future as we embark on our 88th year of partnership.

The Chairman then said that the stockholders may ask questions through the chat facility of Zoom.

The Asst. Corporate Secretary said that there are three questions from Mr. Andrew Yap, to wit:

1. "What is the status of the FPIC process: expected steps, where we are, and target timelines. Please update the shareholders on any major concerns or issues faced, on FPIC consent as well as the eventual renewal of

The President replied as follows:

We commenced the Free and Prior Informed Consent process last year. We have completed the field-based investigation conducted by the National Commission of Indigenous People (NCIP). We expect the next steps, such as the community assemblies and voting, to commence once the NCIP has decided on the dates for these activities.

Lepanto has been regularly updating the community on its operations and activities more so recently in light of the FPIC process. So far, the message has been well-received and the community's response is encouraging.

The timeline is something we cannot control as it will depend on the schedule of the NCIP but we are liaising closely with the agency to let them understand the urgency of the matter. We are thankful that the indigenous people of Mankayan have been cooperative and have in fact requested the NCIP to give priority to our FPIC process.

2. Please provide updates on exploration work being undertaken by the company.

The President replied that:

All exploration is focused on areas we can immediately develop and mine. We are drilling the southern extension of the Teresa veins and the upper extensions of the Felicia veins, both adjacent to Victoria, to augment our gold resources.

3. Are there any recent material / significant operational or strategic developments

We remain focused on obtaining the FPIC at the soonest possible time and turning around to profitability this year.

4. A shareholder, Ms. Zai Go, asked: "During this period of economic and political uncertainty, we've seen gold prices surge to around $2,300 per ounce as investors seek out safe-haven assets. However, the price of Lepanto has remained relatively stagnant despite the expectation that the broader market conditions would also drive up the stock price. If the factors influencing the gold market, such as increased safe-haven demand and central bank actions, are not translating to higher Lepanto share prices, what specific catalysts or developments would be needed to trigger a significant increase in the price

of Lepanto stock? What should the investors be looking for to determine the right time to invest in or hold Lepanto stock, given the disconnect between the gold price surge and the lack of movement in Lepanto's share price?

The Chairman replied:

What we can do right now is to enhance our present operation in order to improve the production of gold and at the same time we have to pursue the advancement of the Far Southeast as quickly as possible, but again it depends on the regulatory environment and the government support.

There being no further questions, the Chairman asked the Asst. Corporate Secretary to present to the stockholders the resolution approving the Annual Report for 2023. The resolution was shown on the screen and read by the Asst. Corporate Secretary, as follows:

RESOLVED, That the Annual Report of the Board of Directors of the Company for the calendar year ended December 31, 2023, together with the financial statements of the Company inclusive of the Consolidated Balance Sheet, the Consolidated Statement of Income and Retained Earnings and the Consolidated Statement of Cash Flow as of December 31, 2023, as audited by the Company's independent auditors, Sycip, Gorres, Velayo and Co., and their certification and notes to the financial statements be, as the same hereby are, noted and approved.

The foregoing resolution was approved by a total of 39,893,061,354 shares or 100% of the shares present or represented at the meeting.

5. Election of Directors

At the request of the Chairman, the Corporate Secretary explained the nomination and election process and the extension of the term of the independent directors, Attys. Ray C. Espinosa and Val Antonio B. Suarez.

The Corporate Secretary stated that in accordance with the Company's ByLaws, Manual on Corporate Governance and SEC Rules, the Nomination Committee has finalized the list of nominees, finding that the nominees possessed all the qualifications and none of the disqualifications to be elected as directors. They are as follows:

FELIPE U. YAP
BRYAN U. YAP
MARILYN V. AQUINO
JAMES PETER ALMAAS
DOUGLAS JOHN KIRWIN
REGIS V. PUNO
CLARK LAWTON S. YAP

As to the independent Directors, the Corporate Secretary said that both Ray C. Espinosa and Val Antonio B. Suarez possessed the qualifications and none of the disqualifications to be elected as director. Acting on nomination letters duly received, the Nomination Committee has approved the nominations of Atty. Ray C. Espinosa and Atty. Val Antonio B. Suarez for re-election as independent directors.

Considering that there were nine (9) Board seats to be filled, and there were only nine (9) nominees, including for two independent directors, the chairman declared all nine nominees as duly elected directors. The Chairman directed the Corporate Secretary to distribute all the votes equally among the said nominees, or 39,893,061,354 votes per nominee.

Actual votes garnered by each nominee is shown below:

Election of Directors		IN FAVOR	
		No. of Shares	%
	FELIPE U. YAP	39,893,061,354	60.12%
	BRYAN U. YAP	39,893,061,354	60.12%
	MARILYN V. AQUINO	39,893,061,354	60.12%
	JAMES PETER ALMAAS	39,893,061,354	60.12%
	RAY C. ESPINOSA	39,893,061,354	60.12%
	DOUGLAS JOHN KIRWIN	39,893,061,354	60.12%
	REGIS V. PUNO	39,893,061,354	60.12%
	CLARK LAWTON S. YAP	39,893,061,354	60.12%
	VAL ANTONIO B. SUAREZ	39,893,061,354	60.12%

The Chairman then presented to the stockholders the newly elected and the re-elected directors of the Company. He also presented to the stockholders the Company's senior officers.

6. Re-Appointment of External Auditor

The Chairman said that the next item on the agenda was the appointment of external auditor and that the Audit Committee and the Board of Directors have recommended that Sycip Gorres Velayo & Co. ("SGV") be re-appointed.

The Chairman asked the Asst. Corporate Secretary to present the resolution for approval by the stockholders and the votes received thereon. The resolution was shown on the screen and read by the Asst. Corporate Secretary. The Asst. Corporate Secretary advised that 39,893,061,354 shares, or 100% of the shares present or represented at the meeting had voted in favor of the re-appointment of SGV as external auditor.

The Chairman then introduced to the stockholders the SGV partners who were in attendance, namely: Jose Pepito E. Zabat III - Market Group 7 Leader; Eleanore A. Layug - Assurance Partner; Sonia D. Segovia - Tax Partner; Marc Bonnie Wong - Senior Manager; Chris Yroniel Ong - Senior Manager; Jobelyn Casim – Manager;

The Chairman also acknowledged the presence of representative from the transfer agent, the Stock Transfer Service, Inc.: Ms. Arlene Cuenta.

7. <u>Adjournment</u>

There being no further business to transact, the meeting was thereupon adjourned.

A T T E S T:

FELIPE U. YAP
Chairman of the Stockholders' Meeting

ODETTE A. JAVIER
Secretary of the Stockholders' Meeting

LCMC ANNUAL STOCKHOLDERS' MEETING

JUNE 10, 2024

PRESENT IN PERSON

RAMON T. DIOKNO	
FELIPE U. YAP	
BRYAN SPENCER U. YAP	
MA. LOURDES B. TUASON	
RAY C. ESPINOSA	
Tota Shares in Person	**194,015,055**

PRESENT IN PROXY

A & A SECURITIES, INC.	
F. YAP SEC. INC.- A.S.	
F. YAP SECURITIES INC.	
F. YAP SECURITIES INC. A/C #CPHC-2	
F. YAP SECURITIES INC. A/C #13-19	
F. YAP SECURITIES INC. A/C #97-11	
F. YAP SECURITIES INC. A/C #97-21	
F. YAP SECURITIES INC. A/C #97-31	
F. YAP SECURITIES INC. A/C #97-31	
F. YAP SECURITIES INC. A/C #BSUY	
F. YAP SECURITIES INC. A/C #BSUY	
F. YAP SECURITIES INC. A/C #CPHC-1	
F. YAP SECURITIES INC. A/C #CPHC-3	
F. YAP SECURITIES INC. A/C #CPHC-4	
F. YAP SECURITIES INC. A/C NO. 01-12	
F. YAP SECURITIES INC. A/C NO. 20-30	
F. YAP SECURITIES INC. A/C NO. 31-42	
F. YAP SECURITIES INC. A/C NO. 43-55	
F. YAP SECURITIES INC. A/C NO. 771	
F. YAP SECURITIES INC. A/C NO. 772	
F. YAP SECURITIES INC. A/C NO. 773	
F. YAP SECURITIES INC. A/C NO. 774	
F. YAP SECURITIES INC. A/C NO. 87-EU	
F. YAP SECURITIES INC. A/C NO. 97-41	
F. YAP SECURITIES INC. A/C NO. 97-51	
F. YAP SECURITIES INC. A/C NO. PKY-89	
F. YAP SECURITIES INC. A/C NO. PKY-89	
F. YAP SECURITIES INC. A/C 521	
F. YAP SECURITIES, INC. (PCD Acct.)	
F.YAP SECURITIES INC. A/C 1411	
F.YAP SECURITIES INC.A/C 5217	
F.YAP SECURITIES INC. A/C 5218	
FELCRIS HOTELS & RESORTS	
FELCRIS REALTY INVESTMENT CORP	
FIRST METRO INVESTMENT CORPORATION	
PHILSTOCKS FINANCIAL INC	
YAP ANNABELLE	
YAP ARLENE	
YAP CASSANDRA LIANNE	
YAP CHASE LEONARD	
YAP CHRISTINE KAREN	
YAP CINDY LOUISE	
YAP CLARK LAWTON	
YAP DIANA	
YAP EMMA	
YAP PACITA K.	
Total Shares in Proxy	**39,699,046,299**

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1	0	1								

COMPANY NAME

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES

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

21st Floor, Lepanto Building, 8747 Paseo de Roxas, Bel-Air 1209 Makati City, NCR Fourth District

Form Type	Department requiring the report	Secondary License Type, If Applicable
ACFS	CRM	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
inquiry@lepantomining.com	(632) 8815-9447	Not Applicable

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
27,684	06/10	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mr. Ramon T. Diokno	ramon.diokno@lepantomining.com	(632) 8815-9447	Not Applicable

CONTACT PERSON's ADDRESS

21st 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.

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

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

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Lepanto Consolidated Mining Company
21st Floor, Lepanto Building
Paseo de Roxas, Makati City

Opinion

We have audited the consolidated financial statements of Lepanto Consolidated Mining Company and its Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of 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 each matter below, our description of how our audit addressed the matter is provided in that context.

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

Going Concern Assessment

The Group incurred net income of ₱102.7 million in 2024 and net losses ₱107.5 million and ₱494.8 million in 2023 and 2022, respectively, resulting in deficit of ₱6,950.1 million and ₱7,054.2 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 ₱1,689.1 million and ₱1,727.2 million, respectively. Additionally, the MPSA No. 001-90-CAR is currently under renewal with remaining certain requirements needed to be complied with.

The consolidated financial statements have been prepared on a going concern basis. The positive outlook for future operating results and cash inflows, 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 in its estimated future cash flows, specifically the forecasted metal production level, commodity prices, foreign exchange rate, operating costs and expenses, the feasibility of the Group's financing activities and the continued validity of its mining rights/tenements. 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 Note 1 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. We evaluated the key assumptions used, such as the forecasted production, market data, operating costs and strategic operational changes, that were used by management in the Group's cash flows forecast for the next twelve months from reporting period. We evaluated these key assumptions by reference to historical information, actual results of operations for the first quarter of 2024, information up to report date, and relevant market data and by taking into consideration the actions undertaken and the planned strategies by management in relation to the Group's operating activities. We obtained and inspected copies of the supporting documents, such as minutes of meetings of board of directors and stockholders, filing documents with regulators, letters and correspondence with external parties, on management's actions to raise capital through stock rights offering and deferral of payments on current liabilities. We inspected regulatory documents related to the Group's mining permits, including the details and status of their renewal. We evaluated the events that transpired up to date of our report which may have an impact on the Group's operating and financing activities. We also assessed the adequacy of the related disclosures in the notes to the consolidated financial statements.

Recoverability of Property, Plant and Equipment

The Group has property, plant and equipment amounting to ₱6.1 billion, which includes mine and mining properties of ₱4.9 billion as at December 31, 2024, comprising about 39% of the Group's consolidated total assets. The Group has been incurring net losses which is an impairment indicator requiring an assessment of the recoverable amount of property, plant and equipment. 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.

Hence, such assessment is a key audit matter in our audit. The Group's disclosures in relation to property, plant and equipment are included in Note 9 to the consolidated financial statements.

Audit Response

We involved our internal specialists in evaluating the methodology and the assumptions used in determining the value-in-use, such as future production levels and costs, as well as external inputs such as commodity prices, discount rate and foreign currency exchange rate. For the external inputs, 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. For the internal inputs, we compared the ore reserves assumptions used in the cash flow projection to the ore reserves assessed by the various experts employed by the Group to produce the estimates of proven and probable reserves as at December 31, 2024. We also assessed the objectivity, competence and capabilities of those various experts, and obtained an understanding of the scope of their work. We compared the operating expense forecasts to the historical operating expenses and the production and sales forecasts against historical data and mine plans. We compared the capital expenditure projections to existing capital development work plans necessary to extract the mineable ore reserves. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically, those that have the most significant effect on the determination of the recoverable amount of property, plant and equipment.

Recoverability of Mine Exploration Costs

As at December 31, 2024, the carrying value of the Group's mine exploration costs amounted to ₱7.1 billion, which mainly pertain to the expenditures incurred by the Group for the Far Southeast Project. 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 mine exploration costs would depend on the discovery of commercially viable quantities of mineral resources and of extracting the resulting ore reserves. We considered this as a key audit matter because of the materiality of the amount involved, and the significant management judgment required in assessing whether there is any indication of impairment. The Group's disclosures about mine exploration costs are included in Note 12 to the consolidated financial statements.

Audit Response

We obtained the schedule of exploration expenses by project, performed an understanding of the stage of the related project and the type of expenses incurred. We obtained management's assessment on whether there is any indication that mine exploration costs may be impaired. We reviewed contracts and agreements, and budget for exploration and development costs. We inspected all the licenses/permits of each of the exploration projects 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 will be renewed or have been applied for renewal accordingly, and compared these licenses and permits with the disclosures of regulatory agencies. 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.

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 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
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

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash (Note 4)	**₱62,114**	₱74,840
Receivables (Note 5)	**62,669**	49,756
Inventories (Note 6)	**522,118**	545,853
Advances to suppliers and contractors (Note 7)	**94,488**	58,553
Other current assets (Note 8)	**492,235**	493,133
Total Current Assets	**1,233,624**	1,222,135
Noncurrent Assets		
Property, plant and equipment - net (Note 9)	**6,125,470**	6,102,033
Mine exploration costs (Note 12)	**7,081,745**	7,032,369
Financial assets designated at fair value through other comprehensive income (FVOCI; Note 10)	**78,114**	66,046
Investments in and advances to associates (Note 11)	**435,761**	451,027
Deferred tax assets - net (Note 18)	**228,752**	157,309
Other noncurrent assets	**632,951**	651,293
Total Noncurrent Assets	**14,582,793**	14,460,077
TOTAL ASSETS	**₱15,816,417**	₱15,682,212
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Note 13)	**₱2,900,619**	₱2,917,467
Current portion of long-term borrowings (Note 14)	**19,215**	29,595
Current portion of lease liabilities (Note 30g)	**2,449**	1,940
Income tax payable	**439**	356
Total Current Liabilities	**2,922,722**	2,949,358
Noncurrent Liabilities		
Advances from Far Southeast Services Limited (FSE; Note 30a)	**6,378,919**	6,304,512
Long-term borrowings (Note 14)	**152,977**	207,573
Lease liabilities - net of current portion (Note 30g)	**427**	–
Liability for mine rehabilitation cost (Note 16)	**22,590**	13,978
Retirement benefits liability (Note 17)	**1,225,784**	962,405
Deferred tax liabilities - net (Note 18)	**177,364**	176,964
Deposit for future subscriptions	**69,200**	69,200
Total Noncurrent Liabilities	**8,027,261**	7,734,632
Total Liabilities	**10,949,983**	10,683,990
Equity Attributable to the Equity Holders of the Parent Company		
Capital stock (Note 19)	**6,635,685**	6,635,685
Additional paid-in capital (APIC)	**5,077,033**	5,077,033
Remeasurement gain on retirement benefits liability	**(122,946)**	125,612
Fair value reserve of financial assets designated at FVOCI (Note 10)	**(28,311)**	(40,245)
Deficit	**(6,950,082)**	(7,054,244)
	4,611,379	4,743,841
Non-controlling interests (NCI; Note 20)	**255,057**	254,381
Total Equity	**4,866,436**	4,998,222
TOTAL LIABILITIES AND EQUITY	**₱15,816,417**	₱15,682,212

See accompanying Notes to Consolidated Financial Statements.

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands, Except for Loss per Share)

	Years Ended December 31		
	2024	2023	2022
REVENUES (Note 29)	**₱2,799,964**	₱2,488,701	₱1,858,286
COST OF SALES (Note 22)	**(2,278,162)**	(2,155,565)	(2,033,004)
COST OF SERVICES (Note 23)	**(70,786)**	(44,587)	(75,704)
OPERATING EXPENSES (Note 24)	**(268,383)**	(279,051)	(202,504)
FINANCE COSTS (Note 27)	**(74,222)**	(71,490)	(72,469)
SHARE IN NET LOSSES OF ASSOCIATES (Note 11)	**(2,613)**	(1,511)	(2,759)
FOREIGN EXCHANGE LOSSES - net	**(2,152)**	(5,071)	(6,991)
OTHER INCOME (CHARGES) - net (Note 28)	**24,369**	(124)	48,157
INCOME (LOSS) BEFORE INCOME TAX	**128,015**	(68,698)	(486,988)
PROVISION FOR INCOME TAX (Note 18)			
Current	**11,830**	9,769	5,536
Deferred	**13,529**	29,032	2,283
	25,359	38,801	7,819
NET INCOME (LOSS)	**102,656**	(107,499)	(494,807)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX			
Items that will not be reclassified to profit or loss in subsequent periods:			
Changes in fair values of financial assets designated at FVOCI (Note 10)	**11,933**	19,098	8,540
Remeasurement gain (loss) on retirement benefits liability - net of tax (Note 17)	**(246,378)**	(23,118)	206,026
	(234,445)	(4,020)	214,566
TOTAL COMPREHENSIVE INCOME (LOSS)	**₱101,980**	(₱111,519)	(₱280,241)
Net income (loss) attributable to:			
Equity holders of the Parent Company	**₱123,785**	(₱107,474)	(₱499,299)
NCI (Note 20)	**676**	(28)	4,492
	₱123,908	(₱107,502)	(₱494,807)
Total comprehensive income (loss) attributable to:			
Equity holders of the Parent Company	**₱101,304**	(₱118,506)	(₱287,228)
NCI (Note 20)	**676**	6,987	6,987
	101,980	(111,519)	(280,241)
BASIC/DILUTED EARNINGS (LOSS) PER SHARE (Note 21)	**₱0.0018**	₱0.0079	(₱0.0079)

See accompanying Notes to Consolidated Financial Statements.

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax	**₱128,016**	(₱68,701)	(₱486,988)
Adjustments for:			
Depletion, depreciation and amortization (Note 22, 23 and 24)	**487,284**	487,195	477,881
Finance costs (Note 27)	**12,095**	71,490	72,469
Movement in retirement benefits liability	**(79,768)**	(79,768)	(63,433)
Loss on disposal of property and equipment and inventories – net (Note 28)	**(635)**	1,478	(33,127)
Gain on settlement of retirement liability	–	(11,474)	–
Unrealized foreign exchange losses (gains) - net	**2,366**	1,892	4,152
Share in net losses (income) of associates (Note 11)	**2,613**	1,512	2,759
Provision for impairment of investment in associates (Note 28)	**198**	83	–
Interest income (Note 28)	**(45)**	(33)	(38)
Loss on dilution of investment in associate (Note 28)	–	–	8,458
Gain on change in estimate (Note 9 and 16)	–	–	(3,704)
Gain on disposal of investment in associates (Note 28)	–	–	(87)
Operating income (loss) before working capital changes	**552,124**	403,674	(21,658)
Decrease (increase) in:			
Receivables	**(12,913)**	28,993	9,557
Inventories	**23,735**	41,641	6,006
Advances to suppliers and contractors	**(35,935)**	(2,169)	76,707
Other current assets	**(20,843)**	(37,417)	(14,817)
Increase in trade and other payables	**(57,416)**	55,121	227,403
Cash generated from operations	**448,752**	489,843	283,198
Interest received	**45**	33	38
Income taxes paid	**(11,397)**	(12,869)	(237)
Net cash flows from operating activities	**437,400**	477,007	282,999
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property, plant and equipment	**(515,690)**	(300,869)	(429,493)
Mine exploration costs	**(49,376)**	(62,689)	(44,527)
Proceeds from disposal of investment designated at FVOCI	**(1,506)**		
Proceeds from disposal of property, plant and equipment	**3,591**	1,478	61,308
Proceeds from disposal of investment in associate	–	–	9,910
Decrease (increase) in other noncurrent assets	**35,310**	(137,248)	124,242
Extension of advances to an associate	**11,473**	(1,346)	(813)
Net cash flows used in investing activities	**(516,198)**	(500,674)	(279,373)
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances from FSE (Note 30a)	**74,407**	61,631	48,812
Availment of loans	**17,003**	17,003	–
Payments of:			
Borrowings (Note 26)	**(16,612)**	(19,612)	(21,586)
Interest	**(5,965)**	(5,774)	(5,724)
Principal portion of lease liability (Note 30g)	**(2,064)**	(8,109)	(7,796)
Net cash flows from financing activities	**(66.768)**	45,139	13,706
NET INCREASE (DECREASE) IN CASH	**(12,030)**	21,472	17,332
CASH AT BEGINNING OF YEAR	**74,840**	53,590	35,654
EFFECT OF EXCHANGE RATE CHANGES ON CASH	**(696)**	(222)	604
CASH AT END OF YEAR (Note 4)	**₱62,114**	₱74,840	₱53,590

See accompanying Notes to Consolidated Financial Statements.

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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

(Amounts in Thousands)

	Attributable to Equity Holders of the Parent Company									
	Capital Stock (Note 19)				**Remeasurement Gain (Loss) on Retirement Benefits Liability** (Note 17)	**Fair Value Reserves of Financial Asset Designated at FVOCI** (Note 10)				
	Issued	**Subscribed**	**Sub-total**	**APIC**			**Deficit**	**Sub-total**	**NCI** (Note 20)	**Total**
Balances at January 1, 2024	**₱5,136,596**	**₱1,499,089**	**₱6,635,685**	**₱5,077,033**	**₱125,613**	**(₱40,244)**	**(₱7,054,243)**	**₱4,743,844**	**₱254,381**	**₱4,998,225**
Net loss	–	–	–	–	–	–	101,980	101,980	676	102,656
Other comprehensive income (loss), net of tax	–	–	–	–	(246,378)	11,933	–	(234,445)	–	(234,445)
Total comprehensive income (loss)	–	–	–	–	(246,378)	11,933	123,232	(111,213)	676	(131,789)
Recycling to retained earnings of remeasurement gain on retirement benefits liability	–	–	–	–	(2,181)	–	(2,181)	–	–	–
Balances at December 31, 2024	**₱5,136,596**	**₱1,499,089**	**₱6,635,685**	**₱5,077,033**	**(₱122,946)**	**(₱28,311)**	**(₱6,950,082)**	**₱4,611,379**	**₱255,057**	**₱4,866,436**
Balances at January 1, 2023	**₱5,136,596**	**₱1,499,089**	**₱6,635,685**	**₱5,077,033**	147,506	(59,342)	(6,945,693)	(4,855,189)	254,558	5,109,747
Net loss	–	–	–	–	–	–	(104,474)	(104,474)	(28)	(107,502)
Other comprehensive income (loss), net of tax	–	–	–	–	(22,969)	19,098	(107,474)	(111,345)	(177)	(111,522)
Total comprehensive income (loss)	–	–	–	–	1,076	–	(1,076)	–	–	–
Recycling to retained earnings of remeasurement loss on retirement benefits liability	–	–	–	–	1,076	–	1,076	–	–	–
Balances at December 31, 2023	₱5,136,596	₱1,499,089	₱6,635,685	₱5,077,033	₱125,613	(₱40,244)	(7,054,243)	₱4,743,844	₱254,381	₱4,998,225
Balances at January 1, 2022	–	–	–	–	–	–	(499,299)	(499,299)	4,492	(494,807)
Net income (loss)	–	–	–	–	203,531	8,540	–	212,071	2,495	214,566
Other comprehensive income (loss)	–	–	–	–	203,531	8,540	(499,299)	(287,228)	6,987	(280,241)
Total comprehensive income (loss)	₱5,136,596	₱1,499,089	₱6,635,685	₱5,077,033	₱147,506	(₱59,342)	(₱6,945,693)	₱4,855,189	₱254,558	₱5,109,747
Balances at December 31, 2022	₱5,136,596	₱1,499,089	₱6,635,685	₱5,077,033	₱147,506	(₱59,342)	(₱6,446,394)	₱4,855,189	₱254,558	₱5,109,747

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information and Authorization for Issuance of the Consolidated Financial Statements

Lepanto Consolidated Mining Company

Lepanto Consolidated Mining Company (Parent Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on September 8, 1936, primarily to engage in the exploration and mining of gold, silver, copper, lead, zinc and all kinds of ores, metals, minerals, oil, gas and coal and their related by-products. On January 29, 1985, the Philippine SEC approved the extension of the Parent Company's corporate term for another 50 years after the expiration of its original term on September 8, 1986.

The Parent Company's shares are listed and traded on the Philippine Stock Exchange (PSE).

On January 14, 1997, the Parent Company was registered with the Board of Investments (BOI) under Executive Order (EO) No. 226 as a new export producer of gold bullion on a preferred non-pioneer status. This registration entitled the Parent Company to a four-year income tax holiday (ITH), which can be further extended for another three years subject to compliance with certain conditions, and lower tariff rates on acquisition of capital equipment. It is required to maintain a base equity of at least 25% as one of the conditions of the registration.

On April 1, 1997, the Parent Company started the commercial operations of its gold mine (Victoria Project) located in Mankayan, Benguet, Philippines and suspended its copper mining operations. Consequently, in October 1997, the Parent Company temporarily ceased operating its roasting plant facilities in Isabel, Leyte, Philippines for an indefinite period. The roasting plant facility was registered with the Philippine Economic Zone Authority (PEZA) on December 17, 1985 pursuant to the provisions of Presidential Decree No. 66, as amended, and EO No. 567 as a zone export enterprise to operate a roasting plant for the manufacture of copper calcine at the Isabel Special Export Processing Zone.

On March 30, 2000, the Parent Company registered its copper flotation project with the BOI as a new producer of copper concentrates on a preferred non-pioneer status. This registration entitled the Parent Company to a four year ITH, subject to compliance with certain conditions, simplified customs procedures, additional deduction for labor expense and unrestricted use of consigned equipment for a period of 10 years. It is required to maintain a base equity of at least 25% as one of the conditions of the registration. The copper flotation project was suspended at the end of 2001; the BOI registration was cancelled on July 11, 2006.

On January 5, 2004, the Parent Company was registered with the BOI under EO No. 226 as new export producer of gold bullion on a non-pioneer status for its Victoria II (renamed Teresa) Project located also in Mankayan, Benguet, Philippines. This registration entitles the Parent Company to ITH with the same incentives that were granted on their registration with BOI on January 14, 1997. The Teresa Project commenced its commercial operations in April 2004.

On November 21, 2006, the Parent Company was registered with the BOI under EO No. 226 as new export producer of copper-gold concentrate on a non-pioneer status for its copper-gold flotation project located also in Mankayan, Benguet, Philippines. This registration entitles the Parent Company to ITH for four (4) years, which can be further extended for another three years subject to compliance with certain conditions, and duty-free importation of equipment, spare parts and accessories for five years. The copper-gold flotation operations were suspended in 2009 in view of the sharp decline in copper prices, of which the BOI was notified. In August 2017, the Parent Company notified the BOI that it will resume copper-gold flotation operations in the fourth quarter of 2017.

The registrations mentioned above enable the Parent Company to avail of the rights, privileges and incentives granted to all registered enterprises.

The Parent Company continues to operate the Victoria Project from which it produces gold dore. It commenced commercial operation of the Copper-Gold Project, producing copper-gold concentrate, in October 2017.

The Parent Company has two Mineral Production Sharing Agreements (MPSA), referred to as MPSA No. 001-090-CAR and MPSA No. 151-2000-CAR, both in Mankayan, Benguet.

MPSA No. 001-090-CAR was jointly executed by the Parent Company and a subsidiary, Far Southeast Gold Resources, Inc. (FSGRI) on March 3, 1990 with the Philippine Government, through the Department of Environment and Natural Resources. This MPSA has a term of 25 years, renewable for another term not exceeding 25 years under the same terms and conditions. The Parent Company and FSGRI filed with the Mines and GeoSciences Bureau (MGB) an application for its renewal on June 4, 2014. The application for renewal of this MPSA is still pending approval as at December 31, 2024 (Note 30c).

MPSA No. 151-2000-CAR is also subject of an application for renewal filed with the MGB on 18 July 2024, which is still pending as of December 31, 2024.

The Parent Company has its principal office at the 21st Floor, Lepanto Building, 8747 Paseo de Roxas, Makati City.

Diamond Drilling Corporation of the Philippines (DDCP)

DDCP is a wholly owned subsidiary of the Parent Company and was incorporated and registered with the Philippine SEC on August 8, 1971, primarily to provide technical, engineering and management services for the purpose of engaging in mining, mineral or oil exploration, construction or other business activity, particularly but not limited to drilling, boring and sinking holes for the purposes of mineral exploration.

In 1994, DDCP's Articles of Incorporation was amended to include in Article II the following secondary purpose: to engage in the business of exploration, development, processing and marketing of minerals that may be found anywhere in the Philippines either by original acquisition, joint venture or operating agreements with other holders of existing mining rights. On April 21, 2008, the stockholders of the DDCP passed a resolution authorizing it to engage directly in the business of mining or otherwise make investments in mining projects.

DDCP primarily provides drilling services to the Parent Company and Manila Mining Corporation (MMC), an associate.

DDCP's registered office, which is also its principal office, is 20th Floor, Lepanto Building, Paseo de Roxas, Makati City.

Shipside, Incorporated (SI)

SI, a Company existing and incorporated in the Philippines and registered with the Philippine SEC on November 13, 1958, is a wholly owned subsidiary of the Parent Company and is organized to engage in handling all kinds of materials, products and supplies in bulk and leasing of its properties which include apartments/guesthouses and warehouses and operating terminal facilities such as pier and warehouses.

SI's principal office is located at 21st Floor, Lepanto Building, Paseo de Roxas, Makati City.

Lepanto Investment & Development Corporation (LIDC)
LIDC, a wholly owned subsidiary of the Parent Company, was incorporated and registered with the Philippine SEC on April 8, 1969, primarily to act as a general agent, broker or factor of any insurance company, whether domestic or foreign, or as a commercial broker, real estate dealer or broker, agent or factor of any person, partnership, corporation or association engaged in any lawful business, industry or enterprise.

LIDC's principal office is located at 21st Floor, Lepanto Building, Paseo de Roxas, Makati City.

Far Southeast Gold Resources, Inc.
FSGRI was incorporated and registered with the Philippine SEC on February 2, 1989, primarily to operate mines and prospect, explore, mine and deal with all kinds of ores, metals and minerals.

FSGRI is a 60%-owned subsidiary of the Parent Company and 40%-owned by Gold Fields Switzerland Holding AG (GFS), a company incorporated in Switzerland. It owns the Far Southheast Project, a gold-copper porphyry deposit located in Mankayan, Benguet and covered by MPSA No. 001-90-CAR.

The Parent Company continues to provide financial and administrative support to FSGRI. As at December 31, 2024, FSGRI is still in the pre-operating stage.

Deferred exploration costs incurred for all exploration projects are expected to be recovered upon the start of commercial operations. Despite technical difficulties in developing the ore body, the current improving trend in metal prices and integration of recent breakthroughs in both mining and milling technologies enhance the economic feasibility of the Project. The Project is considered one of the priority mining projects of the Philippine Government.

FSGRI's principal office is located at 21st Floor, Lepanto Building, Paseo de Roxas, Barangay Bel-Air, Makati City.

The Group's Ability to Continue as a Going Concern
The Group incurred net income of ₱102.7 million in 2024, net losses of ₱107.5 million and ₱494.8 million in 2023 and 2022, respectively, resulting in deficit of ₱6,950.1 million and ₱7,054.2 million as of December 31, 2024 and 2023, respectively. In addition, the Group's current liabilities exceeded its current assets by ₱1,689.1 million and ₱1,727.2 million as of December 31, 2024 and 2023, respectively. Additionally, the MPSA No. 001-90-CAR is currently under renewal with remaining certain requirements needed to be complied with (see Note 30g).

In response to these matters, the Group came up with the following actions:
- continue confirmatory and exploration activities to further enhance Ore Reserves/Resources
- manage expenditures for its day-to-day activities
- negotiate deferral of payments of related party and third-party liabilities
- proceed with the necessary actions to complete the requirements on its permit renewal
- improve efficiency and production level of mine operations through strategic operational changes and capital developments to increase cash inflows generated

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 reporting on a going concern basis.

Authorization for Issue of the Consolidated Financial Statements
The consolidated financial statements of the Group as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 were authorized for issue by the BOD on April 29, 2025.

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

Basis of Preparation
The consolidated financial statements of the Group have been prepared on a historical cost basis, except for financial assets designated at FVOCI that have been measured at fair value in the consolidated statements of financial position. Disclosures have not been illustrated for standards that are either not relevant to the Group's consolidated financial instruments and are not applicable to the Group's circumstances. The consolidated financial statements are presented in Philippine Peso, the Group's functional and presentation currency. All values are rounded to the nearest thousand (₱000), except when otherwise indicated.

Statement of Compliance
The consolidated financial statements of the Group have been prepared in accordance with PFRS Accounting Standards.

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Group as at December 31, 2024 and 2023. The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company using consistent accounting policies.

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries:

		2024	2023
	Nature of	**% of Ownership**	% of Ownership
Subsidiaries	Business	**Direct**	Direct
DDCP	Service	**100**	100
SI	Service	**100**	100
LIDC	Investment	**100**	100
FSGRI *	Mining	**60**	60

**Pre-operating subsidiary*

New Standards, Interpretations and Amendments

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

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

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
  The amendments clarify:
  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.

- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*
  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Standards Issued but not yet Effective
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Company intends to adopt the following pronouncements when they become effective.

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 PFRS 1, *Hedge Accounting by a First-time Adopter*
- Amendments to PFRS 7, *Gain or Loss on Derecognition*
- Amendments to PFRS 9
- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
- Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- 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*

Summary of Material Accounting Policy Information

Financial Instruments - Initial Recognition and Subsequent Measurement
Financial instruments are recognized when the Group becomes a party to the contractual provisions of the instrument.

Initial recognition and measurement
Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, FVOCI and 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. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15.

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

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

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortized cost (debt instruments)
- 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
The Group measures financial assets at amortized cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the EIR method and are subject to impairment. Gains and losses are recognized in the consolidated statement of comprehensive income when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include trade receivables (not subject to provisional pricing), nontrade receivables and advances to officers and employees.

Financial assets at FVPL
Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, 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 fair value

through profit or loss 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 profit or loss in the consolidated statement of comprehensive income.

A derivative embedded in a hybrid contract with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the FVPL loss category.

As PFRS 9 now has the SPPI test for financial assets, the requirements relating to the separation of embedded derivatives is no longer needed for financial assets. An embedded derivative will often make a financial asset fail the solely for payments of principal and interest test thereby requiring the instrument to be measured at FVPL in its entirety. This is applicable to the Group's trade receivables subject to provisional pricing. These receivables relate to sales contracts where the selling price is determined after delivery to the customer, based on the market price at the relevant quotational period (QP) stipulated in the contract. This exposure to the commodity price causes such trade receivables to fail the SPPI test. As a result, these receivables are measured at FVPL from the date of recognition of the corresponding sale, with subsequent movements being recognized in mark-to-market gains (losses) in the consolidated statement of comprehensive income.

Financial assets at FVOCI
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 irrevocably its non-listed equity investments under this category.

<u>Derecognition</u>
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the consolidated statement of financial position) 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 an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement 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 passthrough 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.

Impairment of financial assets

The Group recognizes an allowance for expected credit loss (ECL) for all debt instruments not held at FVPL. ECL 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 any other financial assets carried at amortized cost (which are due in more than 12 months), the ECL is based on the 12-month ECL. The 12-month ECL is the proportion of lifetime expected credit losses that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

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.

For trade receivables (not subject to provisional pricing), the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking it into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

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

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include payables and loans and borrowings.

Subsequent measurement

Payables and loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the 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 finance costs in the consolidated statement of comprehensive income.

This category generally applies to trade and other payables and borrowings and other interest-bearing liabilities.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

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 distinct economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

For management purposes, the Group is organized into three major operating segments (mining, services and others) according to the nature of products and the services provided with each segment representing a strategic business unit that offers different products and serves different markets. The Group reports its primary segment information based on business segments which are the main revenue generating activities. Financial information on business segments is presented in Note 33.

Inventories

Mine products inventory, which consist of gold dore inventory is stated at cost. Parts and supplies are valued at the lower of cost and NRV.

NRV for mine products inventory is the selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale. In the case of parts and supplies, NRV is the current replacement cost. In determining the NRV, the Group considers any adjustments necessary for obsolescence. Provision for obsolescence is determined by reference to specific items of stock.

Costs of parts and supplies comprise all costs of purchase and other costs incurred in bringing the materials and supplies to their present location and condition. The purchase cost is determined on a moving average basis. Parts and supplies in-transit is valued at invoice cost.

Advances to Suppliers and Contractors

Advances to suppliers and contractors are non-financial assets arising from payments made by the Group to its suppliers and contractors before goods or services have been received or rendered. These are classified as current since it follows the final classification of the asset to which the advances pertain to and are recognized in the books at amounts initially paid.

Other Current Assets

The Group’s other current assets include various prepayments, deferred costs and excess input value-added tax (VAT). 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.

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 consolidated 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) and/or the Philippine Bureau of Customs (BOC).

Input VAT on capitalized goods exceeding ₱1 million 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 or the Philippine Department of Finance. The current portion is presented as part of “Other current assets” and the noncurrent portion under “Other noncurrent assets” in the consolidated statement of financial position and stated at its estimated NRV.

Pursuant to the provisions of Tax Reform for Acceleration Law (TRAIN Law) or Republic Act No. 10963, starting January 1, 2022, all input tax on purchases of capital goods shall already be allowed to be claimed outright upon purchase/payment and shall no longer be subject to amortization.

Investments in and Advances to Associates

The Group's investments in associates are accounted for using the equity method. The carrying amount of an investment in associates also includes other long-term interests in an associate, such as loans and advances. Advances and loans granted by the Group are within the nature of cash advances or expenses paid by the Group on behalf of its associates. These are based on normal credit terms, unsecured, interest-free and are recognized and carried at original amounts advanced.

The following are the Group's associates with the corresponding percentage of ownership:

	Percentage of Ownership	
	2024	2023
MMC	**13.37%**	13.37%
DMTC	**25.44%**	25.44%

Property, Plant and Equipment

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

The Group classify its right-of-use assets as part of property, plant and equipment. The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date of the underlying assets is available for use). Right-of-use assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of right-use-assets includes the amounts of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. Right-of-use assets are subject to impairment.

Construction in-progress is recorded at cost and the related depreciation starts upon transfer to the appropriate account of the completed project.

Mine and mining properties also consist of the fair value attributable to mineral reserves and the portion of mineral resources considered to be probable of economic extraction at the time of an acquisition. When a mine construction project moves into the production phase, the capitalization of certain mine construction costs ceases, and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalization relating to mining asset additions, improvements or new developments, underground mine development or mineable reserve development.

Depreciation on assets are calculated using the straight-line method to allocate the cost of each property, plant and equipment less its residual value, if any, over its estimated useful life, as follows:

Type of asset	Estimated useful life in years
Buildings and improvements	2-15
Plant machinery and equipment	2-20
Office furniture and fixtures	3-5

Mine exploration and development costs of mineral properties already in operations are capitalized as mine and mining property and are included in "Property, plant and equipment" account.

Depletion of mine and mining properties is computed based on ore extraction over the estimated volume of proved and probable ore reserves as estimated by the Parent Company's mining engineer or geologist and certified by a competent person.

The estimated recoverable reserves, depreciation and depletion methods applied are reviewed at the end of reporting period to ensure that the estimated recoverable reserves, depreciation, and depletion methods are in line with expected pattern of consumption of the future economic benefits from property plant and equipment. If there has been significant change, the method shall be changed to reflect the changed pattern.

Mine Exploration Costs

Pre-license costs incurred before the Group has obtained legal rights to explore in a specific area 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 whether expenditures meet the criteria to be capitalized, several different sources of information are utilized. The information that is used to determine the possibility 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.

Impairment of Nonfinancial Assets

Property, Plant and Equipment and Other Nonfinancial Assets

Property, plant and equipment and other nonfinancial assets 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, as when 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 recoverable amount is the higher of an asset's or CGU's fair value less cost to sell and its value in use. The fair value less cost 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. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the asset is tested as part of a larger CGU to which it belongs. If the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Management has assessed its CGUs as being individual mines, which is the lowest level for which cash inflows are largely independent of those of other assets. Impairment losses are recognized in profit or loss. In calculating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Group bases its impairment calculation on detailed budgets and forecasts, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated based on the life-of-mine plans. The estimated cash flows are based on expected future production, metal selling prices, operating costs and forecast capital expenditure, and cash flows beyond six years are based on life-of-mine plans.

Value in use does not reflect future cash flows associated with improving or enhancing an asset's performance, whereas anticipated enhancements to assets are included in fair value less costs of disposal calculations.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's/CGU's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset/CGU does not exceed either its recoverable amount, or the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset/CGU in prior years. Such a reversal is recognized in the consolidated statement of comprehensive income.

Impairment losses of continuing operations are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

Investments in and Advances to Associates
After application of the equity method for investment in associates, the Group determines whether it is necessary to recognize an additional impairment loss of the Group's investments in its associates, including long-term interests, that, in substance, form part of the Group's net investment in associates. The Group determines at the end of the reporting period whether there is any objective evidence that the investment and advances in associate is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount of the associate and the acquisition cost and recognizes the amount in the consolidated statement of comprehensive income. Recoverable amount is determined as the higher between fair value less cost of disposal and value in use.

Mine Exploration Costs
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 financial 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 within 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 in the future.

Provisions

Liability for Mine Rehabilitation

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

The obligation generally arises when the asset is installed or, the ground/environment is disturbed at the mining operation's location. When the liability is initially recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred as a result, of the development/construction of the mine. Any rehabilitation obligations that arise through the production of inventory are recognized as part of the related inventory item. Additional disturbances which arise due to further development/construction at the mine are recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. Costs related to restoration of site damage (subsequently at the start of the commercial production) that is created on an ongoing basis during production are provided for at their net present values and recognized in profit or loss as extraction progresses.

Changes in the estimated timing of rehabilitation or changes to the estimated future costs are dealt with prospectively by recognizing an adjustment to the rehabilitation liability and a corresponding adjustment to the asset to which it relates, if the initial estimate was originally recognized as part of an asset measured in accordance with PAS 16.

Any reduction in the rehabilitation liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the consolidated statement of comprehensive income.

If the change in estimate results in an increase in the liability for mine rehabilitation cost and, therefore, an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset and if so tests for impairment. If, for mature mines, the estimate for the revised mine assets net of liability of mine rehabilitation exceeds the recoverable value, that portion of the increase is charged directly to expense.

Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the consolidated statement of comprehensive income as part of finance costs.

For closed sites, changes to estimated costs are recognized immediately in the consolidated statement of comprehensive income.

The Group recognizes neither the deferred tax asset in respect of the temporary difference on the decommissioning liability nor the corresponding deferred tax liability in respect of the temporary difference on a decommissioning asset.

Rehabilitation trust funds committed for use in satisfying environmental obligations are included within “Other noncurrent assets” in the consolidated statement of financial position.

Stock Subscriptions Payable
Stock subscriptions payable are recognized and carried in the books at the original subscription price in exchange of which, the shares of stock will be issued.

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:

Sale of Metals
Sale of bullion (i.e., Gold, Silver)
Income is recognized upon actual shipment of bullions. Net revenue is measured based on shipment value price based on quoted metal prices in the London Bullion Market, for both gold and silver, weight and assay content, less smelting and treatment charges. Contract terms for the Group’s sale of gold and silver bullion allow for a price adjustment based on final assay results of the metal in concentrate by the customer to determine the content.

Provisional shipment up to 98% of total value for gold and silver based on provisional prices is collected upon shipment, while the remaining 2% for gold and silver is collected upon the determination of the final shipment value based on final weight and assay for metal content and prices during the applicable QP less applicable smelting and treatment charges.

Trade receivables
A receivable represents the Group’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Service Fees
Service fees are recognized upon performance of the services.

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

Rental Income
Rental income arising from operating leases on land is accounted for on a straight-line basis over the lease terms and included in revenue due to its operating nature.

Other Income
Other income are income and expenses which are not directly related to the Group’s regular results of operations. These include interest income, rental income, gain (loss) on disposal of assets, gain or loss from deconsolidated subsidiaries, and gain due to retrenchment.

Capital Stock and APIC
Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in the consolidated statements 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.

Where the Parent Company purchases its own shares (treasury shares), the consideration paid including any directly attributable incremental costs is deducted from equity attributable to the Parent Company's stockholders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Parent Company's stockholders.

Deposit for Future Subscriptions
This pertains to the amount of cash and advances from stockholders as payment for future issuance of stocks. This is classified as an equity instrument when the Group will deliver a fixed number of its own equity instruments in exchange for a fixed amount of cash or another financial asset. Otherwise, it is classified under noncurrent liabilities.

Earnings (Loss) Per Share
Basic earnings (loss) per share amounts are calculated by dividing the net income (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 and stock rights during the year.

Leases
Leases - 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 Group recognizes lease liabilities to make lease payments and right-to-use assets representing the right to use the underlying assets.

Lease Liabilities
At the commencement date of the lease, the Group recognized lease liabilities measured the present value of lease payments to be made over the lease term. The lease payments include fixed payments (and in, some instances, in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its IBR at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment of an option to purchase the underlying asset.

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

Employee Benefit

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
- Remeasurements 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 profit or loss. 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 recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets, and any change in the effect of the asset ceiling (excluding net interest on defined retirement benefits liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods. Remeasurements recognized in OCI after the initial adoption of Revised PAS 19 are not closed to any other equity account and is shown as a separate item in equity under "Remeasurement gain (loss) on retirement benefits liability".

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined retirement benefits liability, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the 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.

Foreign Currency Transactions

Transactions in foreign currencies are initially recorded using the exchange rate at the date of the transaction qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated using the closing rate of exchange at the end of the reporting period. All differences are taken to 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 authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as at the end of the reporting period.

Current income tax relating to items recognized directly in OCI or equity is recognized in OCI or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations where applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Income Tax

Deferred income tax is provided, using the balance sheet method, on all temporary differences at the end of the reporting period 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 an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the parent 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, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized, except:

- Where 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 profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates 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 taxable profit will be available against which the temporary differences can be utilized.

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

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

Deferred income tax relating to items recognized in OCI or equity is recognized in OCI or equity and not in profit or loss.

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

Dividend Distribution
Dividend distribution to the Parent Company's stockholders and NCI is recognized as a liability in the consolidated financial statements in the period in which the dividends are approved or declared by the Parent Company's BOD.

3. Summary of Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and the 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.

Assessing Going Concern
The use of going concern assumption requires management to make judgments at a particular point in time about the future outcome of events and conditions that are inherently uncertain. The underlying assumption in the preparation of financial statements is that the Group has neither the intention nor the need to liquidate the business.

Note 1 to the consolidated financial statements discusses the matters considered by management in concluding the appropriateness of the use of going concern assumption in the preparation of the financial statements. These matters include continuous confirmatory and exploration activities to further enhance Ore Reserves/Resources, management of expenditure for its day-to-day activities, negotiaton of the deferral of payments of related party and third-party liabilities, proceed with the necessary actions to complete the requirements on its permit renewal and improvement of the efficiency of the production level of mine operations through strategic operational changes and capital developments to increase cash inflows. As such, the consolidated financial statements have been prepared on a going concern basis of accounting.

Assessing Recoverability of Mine Exploration Costs
Mineral property acquisition costs are capitalized until the viability of the mineral interest is determined. Exploration, evaluation and pre-feasibility costs are charged to "Mine exploration costs" until such time as 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 to

mine and mining properties. 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 ₱7,081,745 and ₱7,032,369 as at December 31, 2024 and 2023, respectively (see Note 12).

As at December 31, 2024 and 2023, mine exploration costs transferred to mine and mining properties amounted to nil (see Note 12).

Assessing Existence of Significant Influence
In assessing whether significant influence still exists, the Group considered not only its percentage ownership but other factors such as the board seat representations it has in the associate's governing body, its interchange of managerial personnel with the associate, and material transactions between the Group and its investee, among others.

As at December 31, 2024 and 2023, the Group assessed that it has significant influence over DMTC and MMC and has accounted for the investments as associates (see Note 11).

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 consolidated financial statements. Actual results could differ from such estimates.

Revenue Recognition
The Group recognizes revenue from sale of bullion and concentrate at the time these are produced and shipped to buyer smelters, respectively. Revenue is measured based on shipment value based on quoted metal prices in the London Bullion Market and London Market Exchange or Shanghai Gold Exchange, and weight and assay for metal content net of smelting and treatment charges. Provisional shipment values up to 98% bullion and up to 100% concentrate while the remaining balance is collected upon determination of the final shipment value based on final weights and assays for metal content and prices during the applicable QP less deduction for smelting and treatment charges. Total recognized revenue relating to sale of metals amounted to ₱2,785,517, ₱2,478,227 and ₱1,851,172 , net of smelting and treatment charges of ₱4,188, ₱4,188 and ₱4,017, in 2024, 2023 and 2022, respectively (see Note 29).

Estimating Ore Reserves and Resources
Mineral reserves and resources estimates for development projects are, to a large extent, based on the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies which derive estimates of costs based upon anticipated tonnage and grades of ores to be mined and processed, the configuration of the ore body, expected recovery rates from the ore, estimated operating costs, estimated climatic conditions and other factors. Proven reserve estimates are attributed to future development projects only where there is a significant commitment to project funding and extraction and for which applicable governmental and regulatory approvals have been secured or are reasonably certain to be secured. All proven reserve estimates are subject to revision, either upward or downward, based on new information, such as from block grading and production activities or from changes in economic factors including product prices, contract terms or development plans.

Estimates of reserves for undeveloped or partially developed areas are subject to greater uncertainty over their future life than estimates of reserves for areas that are substantially developed and depleted. As an area goes into production, the amount of proven reserves will be subject to future revision once additional information becomes available. As those areas are further developed, new information may lead to revisions. The estimated recoverable reserves are used in the calculation of depletion, depreciation, amortization and testing for impairment, the assessment of life of mine, and forecasting the timing of the payment of provision for mine rehabilitation and decommissioning.

In accordance with its policy, the Group reviews the estimated resources and reserves on an ongoing basis. This review indicated that a portion of resource were part of the ore extracted in prior year. As a result, effective January 1, 2019, the Group added a portion of resources expected to be converted into reserves in the calculation of depletion. As at December 31, 2024 and 2023, mine and mining properties presented under property, plant and equipment amounted to ₱4,942,799 and ₱4,920,962, respectively (see Note 9).

Estimating Allowance for Inventory Obsolescence
Parts and supplies inventories, which are used in the Group's operations and mine products, are stated at the lower of cost or NRV. Allowance for inventory obsolescence is established when there is evidence that the equipment where the parts and supplies were originally purchased for are no longer in service. Materials which are non-moving or have become unusable are priced at their recoverable amount. The selling price estimation of mine products is based on the London Bullion Market Association, which also represents an active market for the product. Any changes in the assay for metal content of the mine products is accounted for and adjusted accordingly.

Inventories carried at lower of cost or NRV, amounted to ₱522,118 and ₱545,853 as at December 31, 2024 and 2023, respectively (see Note 6).

Estimating Impairment on Property, Plant and Equipment and Other Nonfinancial Assets
The Group assesses impairment on property, plant and equipment and other nonfinancial assets 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 such as commodity prices, discount rates and foreign currency exchange rates that can materially affect the consolidated financial statements. Commodity prices and foreign exchange rates are based on the current and forecasts in different banks. Discount rate estimate is computed using the weighted average cost of capital.

An impairment loss would be recognized whenever evidence exists that the recoverable amount is less than the carrying amount. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

The recoverable amount of the asset is determined as the higher of its 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 between knowledgeable and willing parties, net of direct costs of selling the asset. When value in use has been undertaken, fair value is estimated by discounting the expected future cash flows using a discount factor that reflects the market rate for a term consistent with the period of expected cash flows.

The aggregate net book values of property, plant and equipment amounted to ₱6,125,470 and ₱6,102,033 as at December 31, 2024 and 2023, respectively (see Note 9).

The carrying amount of other nonfinancial assets, which includes advances to officers and employees, advances to suppliers and contractors, other current assets and other noncurrent assets amounted to ₱1,221,261 and ₱1,206,099 as at December 31, 2024 and 2023, respectively.

Estimating Impairment of Investments in and Advances to Associates
The Group assesses whether there are any indicators of impairment for investments in and advances to associates at the end of the reporting period. These assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the investment is written down to its recoverable amount.

Provision for impairment of investment in associates amounted to ₱7,639 and ₱7,441, has been recognized in 2024 and 2023, respectively. Investments in and advances to associates amounted to ₱435,761 and ₱451,027 as at December 31, 2024 and 2023, respectively (see Note 11).

Estimation of Retirement Benefit Expense
The cost of defined retirement obligation as well as the present value of the defined benefit obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, expected rates of return on assets, future salary increases, mortality rates and future retirement increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligation are highly sensitive to changes in these assumptions. All assumptions are reviewed at each end of the reporting period. As at December 31, 2024 and 2023, the retirement benefits liability of the Group amounted to ₱1,225,784 and ₱962,405, respectively. Net retirement costs amounted to ₱1,507, ₱92,796 and ₱110,650 in 2024, 2023 and 2022, respectively (see Note 17).

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. Further details about the assumptions used are provided in Note 17.

Estimating Liability for Mine Rehabilitation Cost
The ultimate cost of mine rehabilitation and decommissioning is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience. The expected timing of expenditure can also change, for example in response to changes in ore reserves or production rates. As a result, there could be significant adjustments to the provision for mine rehabilitation and decommissioning, which would affect future financial results.

The provision for mine rehabilitation and decommissioning costs is based on estimated future costs using information available at the end of the reporting period. To the extent the actual costs differ from these estimates, adjustments will be recorded and, the profit or loss may be impacted. As at December 31, 2024 and 2023, liability for mine rehabilitation cost amounted to ₱22,590 and ₱13,978, respectively (see Note 16).

Assessing Recoverability of Deferred Tax Assets
The Group reviews the carrying amounts of deferred tax assets at the end of the reporting period and reduces the amounts to the extent that it is no longer probable that sufficient future taxable profit and taxable temporary timing differences will be available to allow all or part of the deferred income tax assets to be utilized.

The Group has deferred tax assets amounting to ₱228,752 and ₱157,309 as at December 31, 2024 and 2023, respectively (see Note 18). No deferred tax assets were recognized for temporary differences amounting to ₱2,092,960 and ₱2,087,121 as at December 31, 2024 and 2023, respectively, since 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 18).

4. Cash

	2024	2023
Cash on hand	**₱2,533**	₱6,542
Cash in banks	**59,581**	68,298
	₱62,114	₱74,840

Cash in banks earn interest at the respective bank deposit rates.

Interest income earned from cash in banks amounted to ₱46, ₱33 and ₱38 in 2024, 2023 and 2022, respectively (see Note 28).

The Group has United States dollar (US$)-denominated cash in banks amounting to US$125 and US$89 as at December 31, 2024 and 2023, respectively (see Note 31).

5. Receivables

	2024	2023
Trade	**₱27,296**	₱28,238
Nontrade	**40,810**	27,104
Officers and employees	**6,132**	5,892
Receivable from stockholders and related parties	**11,918**	11,834
	86,156	73,068
Less allowance for expected credit losses	**23,486**	23,312
	₱62,670	₱49,756

Trade receivables include the Group's receivables arising from its shipments of gold, and silver to refinery and smelter customer under the Refining Agreements (RA; see Note 29) and receivables from third party customers for drilling, hauling and rental services. These are carried at fair value and is not subjected to assessment of expected credit losses.

Nontrade receivables comprise mainly of receivables from related parties and other third parties, while receivables from officers and employees pertain to cash advances made by employees for the operations of the Group subject for liquidation. Unliquidated receivables from officers and employees are collectible on demand or considered as salary deduction.

Trade, nontrade and receivables from officers and employees are noninterest-bearing and are generally collectible on demand.

Provision for expected credit losses on receivables amounting to ₱174 and ₱4,401 were recognized by the Group in 2024 and 2023, respectively.

Movements of allowance for expected credit losses are as follows:

	2024	2023
Balance at beginning of year		
Trade	**₱22,925**	₱18,525
Nontrade	**386**	386
Provision	**174**	4,401
Write-off	**–**	–
Balance at end of year	**₱23,485**	₱23,312

The Group has US$-denominated trade receivables amounting to US$22 and US$168 as at December 31, 2024 and 2023, respectively (see Note 31).

6. Inventories

	2024	2023
Parts and supplies:		
At NRV	**₱458,004**	₱482,648
At cost	**64**	79
Mine products at cost	**64,050**	63,126
	₱522,118	₱545,853

Parts and supplies on hand include materials and supplies stored in Metro Manila, Bulacan, Mankayan and Leyte. Cost of parts and supplies on hand amounted to ₱560,178 and ₱583,913 as at December 31, 2024 and 2023, respectively.

Mine products inventory includes gold dore inventory stored in the Lepanto Mining Division located at Mankayan, Benguet. This inventory forms part of the following year's sales and are therefore shipped subsequently.

In 2023, the Group disposed several parts and supplies stored in Leyte with a total cost of ₱19,100. This result to a deduction of the related allowance for inventory obsolescence amounting to ₱17,039 and loss on disposal amounting to ₱2,061.

Movements in allowance for inventory obsolescence on parts and supplies on hand as at December 31, 2024 and 2023 are as follows:

	2024	2023
Balance at beginning of year	**₱38,061**	₱45,946
Provision	**–**	9,153
Reversal	**–**	(17,039)
Balance at end of year	**₱38,061**	₱38,060

The Group recognized a provision for allowance for inventory obsolescence amounting to nil and ₱9,153 in 2024 and 2023, respectively.

Inventories charged to profit and loss under "Consumables and supplies" account amounted to ₱846,627, ₱654,490 and ₱533,084 in 2024, 2023 and 2022, respectively (see Notes 22, 23, and 24).

7. Advances to Suppliers and Contractors

As at December 31, 2024 and 2023, the Group has advances to suppliers and contractors amounting to ₱94,488 and ₱58,553, respectively. These advances will be offset against future billings. Advances to suppliers and contractors are non-financial assets arising from advanced payments made by the Group to its suppliers and contractors before goods and services have been received or rendered. These are classified as current since these are expected to be offset against future short-term billings and are recognized in the books at the amounts initially paid.

Advances to suppliers and contractors are attributable to contracts generally requiring advance payments. Amounts deposited will be applied as part of the full payment of the contract price upon completion of the contract.

8. Other Current Assets

	2024	2023
Input VAT	**₱399,331**	₱343,951
Prepaid expenses	**81,496**	121,584
Deferred costs	**8,434**	25,026
Deposits	**2,975**	2,572
	₱492,236	₱493,133

By virtue of Revenue Memorandum Order 9-2000 dated March 29, 2000, all sales of goods, property and services made by a VAT-registered person to the Parent Company, being a 100% exporter, are automatically zero-rated for VAT purposes effective August 8, 2001. The passage of Republic Act No. 11534, or the CREATE Act, with effectivity date on 11 April 2021, however amended the VAT treatment of transactions and expressly provided that only those goods and services that are directly and exclusively used in the registered project or activity of registered business enterprises qualify as zero-rated VAT local purchases.

Input VAT represents 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 certain future tax liability of the Group upon approval by the BIR and/or the Philippine Bureau of Customs.

Prepaid expenses include advance payments for taxes, insurance, rent and other services and costs incurred under operating development drives.

Deferred costs represent withdrawals of tubing to be used in drilling operations. Costs of which is amortized based on meters drilled.

Deposits are payment to suppliers and contractors before goods or services has been received or rendered.

9. Property, Plant and Equipment

	2024						
	Mine and mining properties	Buildings and improvements	Plant, machinery, equipment and office furniture and fixtures	Land	Construction in-progress	Right-of-use assets– warehouse and building	Total
Cost:							
Balances at December 31, 2023	₱12,546,507	₱561,297	₱3,079,734	₱702,275	₱59,714	₱36,711	₱16,986,238
Additions	275,779	12,255	159,021	–	(1,699)	815	446,171
Transfers	–	–	–	–	–	–	–
Capitalized cost of mine rehabilitation and decommissioning (Note 16)	–	–	–	–	–	–	–
Retirements/disposals	–	–	(165,548)	–	–	(2,131)	(167,679)
Balances at end of year	12,822,286	573,552	3,073,207	702,275	58,015	35,395	17,264,730
Accumulated depletion, depreciation and amortization:							
Balances at beginning of year	7,625,545	464,656	2,735,124	–	–	34,948	10,860,273
Depletion, depreciation and amortization	253,699	15,052	151,770	–	–	1,388	421,909
Retirement and disposals	–	-	(164,723)	–	–	(2,131)	(166,854)
Balances at end of year	7,879,244	464,656	2,722,171	–	–	34,205	11,115,328
Allowance for impairment:							
Balances at beginning and end of year	–	19,241	4,691	–	–	–	23,932
Net book values	₱4,943,042	₱74,603	₱346,345	₱702,275	₱58,015	₱1,190	₱6,125,470

	2023						
	Mine and mining properties	Buildings and improvements	Plant, machinery, equipment and office furniture and fixtures	Land	Construction in-progress	Right-of-use assets– warehouse and building	Total
Cost:							
Balances at December 31, 2022	₱12,334,679	₱557,533	₱3,042,140	₱702,275	₱223,249	₱36,711	₱16,896,587
Additions	189,771	7,538	31,185	–	72,375	–	300,869
Transfers	20,384	–	215,526	–	(235,910)	–	–
Capitalized cost of mine rehabilitation and decommissioning (Note 16)	1,673	–	–	–	–	–	1,673
Retirements/disposals	–	(3,774)	(209,117)	–	–	–	(212,891)
Balances at end of year	12,546,507	561,297	3,079	702,275	59,714	36,711	16,986,238
Accumulated depletion, depreciation and amortization:							
Balances at beginning of year	7,322,238	444,175	2,785,678	–	–	27,147	10,579,238
Depletion, depreciation and amortization	303,307	24,255	158,510	–	–	7,801	493,873
Retirement and disposals	–	(3,774)	(209,064)	–	–	–	(212,838)
Balances at end of year	7,625,545	464	2,735	–	–	34,948	10,860,273
Allowance for impairment:							
Balances at beginning and end of year	–	19,241	4,691	–	–	–	23,932
Net book values	₱4,920,962	₱77,400	₱339,919	₱702,275	₱59,714	₱1,763	₱6,102,033

Prior to 2005, the Group adopted the revaluation model and engaged an independent firm of appraisers to determine the fair value of its land classified under “Property, plant and equipment” in the consolidated statement of financial position, which is equal to the amount in terms of money at which the property would exchange in the current real estate market, between willing parties both having knowledge of all relevant facts. The fair value was estimated using the market data approach, which is based on sales and listings of comparable property registered within the vicinity that considered factors such as location, size and shape of the properties.

In adopting the revaluation model, the Group applied the fair value as deemed cost exemption under PFRS 1, *First-time Adoption of PFRS Accounting Standards*, to measure the Group’s land at fair value at January 1, 2004. In 2012, the Group closed out the revaluation increment amounting to ₱511,504 as at January 1, 2010 to retained earnings. The revaluation reserve pertains to the remaining deemed cost adjustment on its land when the Group transitioned to PFRS Accounting Standards in 2005.

As at December 31, 2024 and 2023, the balance of retained earnings which will not be available for dividend distribution, includes the remaining balance of the deemed cost adjustment amounting to ₱248,502.

The Parent Company re-estimated its mine rehabilitation and decommissioning obligation as at December 31, 2024 and 2023 based on latest cost estimates and discount rate resulting to an addition of ₱8,612 and ₱1,673 and a gain on remeasurement of mine rehabilitation liability amounting to ₱7,768 and nil, respectively (see Note 28). As a result of the updates in estimates, provision for mine rehabilitation and decommissioning capitalized under mine and mining properties amounted to ₱7,768 and ₱1,673 as at December 31, 2024 and 2023, respectively. The rates used by the Parent Company in computing depletion are ₱791, ₱699 and ₱694 per ton in 2024, 2023 and 2022, respectively, as a result of the costs capitalized under “Mine and mining properties” for the development of the Victoria and Quartz Pyrite Gold (QPG) Project.

Certain machinery and equipment and drilling equipment under “Plant, machinery, equipment, and office furniture and fixtures” with total costs of around ₱641,429 were used as collateral for the Group’s short-term and long-term loans with a local bank (see Note 14).

Construction in-progress pertains to various mining operations requirements that undergo in-house constructions and fabrications in Mankayan. As at December 31, 2024 and 2023, the Group transferred construction in-progress amounting to ₱1,699 and ₱235,910, respectively, to mine and mining properties, and plant, machinery, equipment, office furniture and fixtures.

In August 2022, the Group sold 33,000 square meters parcel of land (sawmill lot) located in Pugo, Bauang La Union for a consideration of ₱33,000, inclusive of VAT and incurred expenses amounting to ₱961 relating to Registration of Transfer, Capital gains tax and others, resulting to a gain of ₱17,309. Included in the sawmill lot sold are fully depreciated sawmill building and sawmill bailey bridge. Auxiliary of the lot sold was the Sawmill warehouse building plan which is amounting to ₱59 was retired since no future benefit is expected from the asset. During the same year, the Group disposed a field equipment with carrying amount of ₱16,928 for ₱31,657. As a result, the Group recognized a gain on disposal of property and equipment amounting to ₱14,729.

During 2024 and 2023, the Group recognized net gain from the sales of fully depreciated land transportation equipment and machinery amounting nil and ₱583, respectively.

10. **Financial Assets Designated at FVOCI**

As at December 31, 2024 and 2023, the financial assets designated at FVOCI consists of investments in:

	2024	2023
Quoted equity shares	**₱74,218**	₱62,150
Unquoted equity shares	**3,896**	3,896
	₱78,114	₱66,046

Movements in financial assets designated at FVOCI are as follows:

	2024	2023
Balance at beginning of year	**₱66,046**	**₱46,646**
Changes in fair values of financial assets designated at FVOCI	**12,068**	**19,400**
Balance at end of year	**₱78,114**	**₱66,046**

The following table shows the movement on fair value reserves for financial assets designated at FVOCI shown as a separate component of equity.

	2024	2023
Balance at beginning of year	**(₱40,244)**	(₱59,342)
Changes in fair values of financial assets designated at FVOCI	**11,933**	19,098
Effect of dilution of investment in associate	–	–
Balance at end of year	**(₱28,311)**	(₱40,244)

Investments in quoted equity shares pertain to investment in common shares of various local public companies and golf club shares.

Investments in unquoted equity shares pertain to investments in private local companies and therefore have no fixed maturity date or coupon rate.

There were no dividend income earned by the Group in 2024, 2023 and 2022.

The Parent Company executed a deed of assignment in favor of LCMC Employee Pension Plan ("the Plan") on December 22, 2016 covering 160,568,775 of 180,000,000 of its Prime Orion Philippines, Inc. (POPI; now known as Ayalaland Logistics Holdings Corp.) shares for a total consideration of ₱308,292.

As at December 31, 2024, the Group has no intentions to dispose its unquoted equity shares.

11. Investments in and Advances to Associates

2024	**DMTC**	**MMC**	**Total**
Acquisition cost:			
Balances at beginning and end of year	**₱11,800**	**₱409,099**	**₱420,899**
Accumulated equity:			
Share in net earnings (loss):	–	–	–
Balances at beginning of year	**(1,750)**	**26,951**	**25,201**
Share in net loss	**(186)**	**(2,427)**	**(2,613)**
Share in OCI - FA at FVOCI	**–**	**(135)**	**(135)**
Share in OCI - RBO	**–**	**49**	**49**
Balances at end of year	**(₱1,936)**	**₱24,438**	**₱22,502**
Allowance for impairment losses:			
Balances at beginning of year	**(₱7,442)**	**₱–**	**(₱7,442)**
Provision for impairment losses	**(198)**	**–**	**(198)**
Balances at end of year	**(₱7,640)**	**₱–**	**(₱7,640)**
Investments in associates	**2,224**	**433,537**	**435,761**
Advances to associate (Note 15)	**–**	**–**	**–**
	₱2,224	**₱433,537**	**₱435,761**

2023	DMTC	MMC	Total
Acquisition cost:			
Balances at beginning and end of year	₱11,800	₱409,099	₱420,899
Accumulated equity:			
Share in net earnings (loss):	–	–	–
Balances at beginning of year	(₱1,747)	₱28,775	₱27,028
Share in net loss	(3)	(1,509)	(1,512)
Share in OCI - FA at FVOCI	–	(302)	(302)
Share in OCI - RBO	–	(13)	(13)
Balances at end of year	(₱1,750)	₱26,951	₱25,201
Allowance for impairment losses:			
Balances at beginning of year	(₱7,359)	–	(₱7,359)
Provision for impairment losses	(83)	–	(83)
Balances at end of year	(₱7,442)	–	(₱7,442)
Investments in associates	2,608	436,050	438,658
Advances to associate (Note 15)	–	12,369	12,369
	₱2,608	₱448,419	₱451,027

Investment in MMC

The Group effectively has 13.37% ownership in MMC in 2024 and 2023 due to the increase in outstanding shares of MMC after its stock rights offering and sale of shares from its indirect party in 2022. In 2021, the Group has 16.2% direct and 0.3% indirect ownership in MMC. Due to not meeting the presumption to demonstrate significant influence, the Group assessed that it has significant influence over MMC due to the following:

(a) The Group has four out of nine board seats and three out of nine representations; and
(b) The Group has at least nine executive officers and one managerial personnel serving as part of MMC's corporate management.

As at December 31, 2024, the fair value per share of MMC shares A and B amounted to ₱0.0031 and ₱0.0030, respectively. As at December 31, 2023, the fair value per share of MMC shares A and B amounted to ₱0.0046 and ₱0.0043. Fair market value of the investment in MMC amounted to ₱320 and ₱468 as at December 31, 2024 and 2023, respectively.

Investment in DMTC
The Group assessed that it has significant influence over DMTC due to the following:
(a) The Group has ownership interest of 25.44% over its outstanding capital shares; and
(b) The Group, through DDCP, has at least ₱15.1 million or 54.71% contribution in the total assets of the DMTC.

Provision for impairment of investment in associates amounting to ₱198 and ₱83 were recognized by the Group in 2024 and 2023, respectively.

The Group measures the investments under the equity method and prepares financial statements for the same financial reporting period as the Group.

The following table illustrates summarized financial information of the Group's investments in associates:

2024	**DMTC**	**MMC**	**Totals**
Assets:			
Current assets	**₱16,311**	**₱72,145**	**₱88,456**
Noncurrent assets	**107**	**3,635,714**	**3,635,821**
Total assets	**16,418**	**3,707,859**	**3,724,277**
Liabilities:			
Current liabilities	**6,644**	**278,501**	**285,145**
Noncurrent liabilities	**–**	**52,991**	**52,991**
Total liabilities	**6,644**	**331,492**	**338,136**
Net assets	**9,774**	**3,376,367**	**3,386,141**

2023	DMTC	MMC	Totals
Assets:			
Current assets	₱17,157	₱75,588	₱92,745
Noncurrent assets	107	3,562,615	3,562,722
Total assets	17,264	3,638,203	3,655,467
Liabilities:			
Current liabilities	6,614	189,982	196,596
Noncurrent liabilities	100	52,968	53,068
Total liabilities	6,714	242,950	249,664
Net assets	10,550	3,395,762	3,406,412

2024	**DMTC**	**MMC**	**Totals**
Revenue	**₱–**	**₱–**	**₱–**
Cost and expenses	**(733)**	**(18,144)**	**(18,877)**
Net loss (continuing operations)	**(733)**	**(18,144)**	**(18,877)**
Comprehensive loss	**–**	**(741)**	**(741)**
Total comprehensive loss	**(₱733)**	**(₱18,885)**	**(₱19,618)**
Share in net loss	**(₱186)**	**(₱2,523)**	**(₱2,709)**

2023	DMTC	MMC	Totals
Revenue	₱–	₱–	₱–
Cost and expenses	(11)	(11,280)	(11,291)
Net loss (continuing operations)	(11)	(11,280)	(11,291)
Comprehensive loss	–	(2,336)	(2,336)
Total comprehensive loss	(₱11)	(₱13,616)	(₱13,627)
Share in net loss	(₱3)	(₱1,821)	(₱1,824)

12. **Mine Exploration Costs**

	2024	2023
Balance at beginning of year	**₱7,032,369**	₱6,969,680
Additions	**49,376**	62,689
Balance at end of year	**₱7,081,745**	₱7,032,369

Pursuant to the agreement between Gold Fields Limited, FSGRI and the Parent Company, ongoing exploration and pre-development expenses are being incurred on the Far Southeast Project (see Note 30a).

Depreciation capitalized as part of mine exploration costs in 2024, 2023 and 2022 amounted to nil, ₱ 6,971 and ₱13,791, respectively.

No allowance for impairment losses on mine exploration costs was recognized in 2024 and 2023.

13. **Trade and Other Payables**

	2024	2023
Trade	**₱717,884**	₱755,509
Accrued expenses and other liabilities	**1,909,531**	1,871,385
Employee related expenses	**49,420**	44,899
Accrued utilities	**29,600**	51,449
Unclaimed dividends	**26,693**	26,693
Payable to regulatory authorities	**62,759**	63,047
Accrued production tax	**29,591**	27,446
Due to related parties (Note 15)	**75,138**	77,039
	₱2,900,616	₱2,917,467

Nature, terms and conditions of the Group’s liabilities:

- Trade payables include import and local purchases of equipment and inventories such various parts and supplies used in the operations of the Group. These are non-interest bearing and are normally settled on 60 days’ terms.
- Accrued expenses and other liabilities are noninterest-bearing and are normally settled on a 30 to 60 days’ term. These include other operating expenses that are payable to various suppliers and contractors.
- Employee related expenses include unclaimed wages, accrued vacation and sick leave and accrued payroll. These are non-interest bearing and are payable in 30 days’ term.

- Accrued utilities pertain to unpaid billings for power, communication, light and water charges. These are non-interest bearing and are normally settled within 30 to 90 days.
- Unclaimed dividends pertain to unpaid cash dividends declared by the Parent Company to its stockholders. These are non-interest bearing and are payable upon demand of the payee.
- Payable to regulatory agencies include withholding taxes and other government contributions related to employees of the Group. These are non-interest bearing and are normally remitted within 10 days from the close of each month.
- Accrued production taxes pertain to excise taxes on metal sales. These are non-interest bearing and are settled within 15 days after the end of each quarter.

The Group has US$-denominated trade and other payables amounting to US$655 as at December 31, 2024 and 2023 (see Note 31).

14. Short-term and Long-term Debt and Other Interest-bearing Liabilities

	2024	2023
Gold delivery agreement (US$1,000 in 2024 and 2023)	**₱57,845**	₱55,370
Peso-denominated loans from banks	**114,347**	181,798
Total borrowings	**172,192**	237,168
Less current portion of long-term borrowings	**19,215**	29,595
	₱152,977	₱207,573

Gold Delivery Agreement (GDA)

In December 1998, the Parent Company entered into a Loan and Hedging Facilities Agreement (the Agreement) with NM Rothschild & Sons (Australia) Ltd. (Rothschild) and Dresdner Bank AG (Dresdner) which provides for borrowings up to US$30 million and hedging facility up to 300,000 ounces of gold as may be agreed upon by the parties up to December 2002. A minimum hedging amount of 250,000 ounces was imposed to secure the payment of the loan. The loan was intended to finance the working capital requirements of the Victoria Project (see Note 1).

In accordance with the hedging facility, the Parent Company entered into various forward gold contracts with Rothschild and Dresdner (Lenders) which provide for the buying or selling of gold in fixed quantities at certain fixed prices for delivery in various maturity dates in the future. Any gains or losses on the forward sales contracts are recognized upon closing of the pertinent contracts.

On December 31, 2004, the Parent Company's forward gold contracts to sell 169,043 ounces of gold at an average price of US$295 per ounce will mature on various dates in the future and are being rolled forward relative to the ongoing discussion with Lenders. These contracts had a negative mark-to-market valuation of US$24 million based on the spot rate of US$437 per ounce as at December 31, 2004.

The Parent Company does not recognize any derivative financial liability under the hedging contracts with Dresdner. After months of discussion and negotiations, the Parent Company and Dresdner agreed in December 2005 on a commercial resolution to their controversy which was formalized through a GDA that was signed on January 25, 2006. Under the GDA, a gold loan of about US$14 million shall be repaid by way of minimum monthly installments starting from February 1, 2006 up to September 30, 2009 of the cash equivalent in US$ of 200 ounces of gold computed at the spot price in the market and any remaining balance to be fully repaid by the final delivery on September 30, 2009. The Parent Company also has an option to settle by delivery of quantity of gold.

The GDA contains certain covenants, which include, among others, payment of interest, strict compliance with regulatory provisions regarding internal revenue taxes and environmental requirements, restrictions in the incurrence of indebtedness and certain derivative transactions, limitation in the disposal and transfer of assets and prohibitions in the purchase of issued shares, reduction in capital and issuance of shares other than for cash or make a distribution of assets or other capital to its stockholders.

As from September 28, 2010, the rights of Commerzbank AG (Commerzbank; formerly constituted as Dresdner Bank AG) under the GDA have been transferred to Statham Capital Corporation (Statham). Accordingly, Statham is substituted for Commerzbank as the financier under the GDA.

An amendment to the GDA was entered into by the Parent Company. On October 5, 2010, a moratorium was agreed on, providing for the resumption of monthly deliveries of 200 ounces on January 2011 and a final delivery date of December 31, 2011. Total amount under the GDA is US$10,027.

On February 10, 2011, another moratorium and restructure agreement were entered into by the Parent Company. This resulted in a reduction in the total outstanding liability, with the corresponding gain included in "Service fees and other operating income" in the parent company statements of comprehensive income. In 2014, the Parent Company and Statham entered into another restructure agreement wherein the due date was extended to 2017. The due date has been extended again to 2020 and, in 2020, the due date has been further extended to 2021. In 2022, another moratorium and restructure agreement were entered into by the Parent company wherein the due date was extended to 2025. As at December 31, 2024 and 2023, the remaining obligation owing to Statham under the GDA amounting to US$1,000 with Peso equivalents of ₱57,845 and ₱55,370, respectively, is payable on December 31, 2025 as the final delivery date based on latest restructuring.

The Parent Company filed a civil case against Rothschild for the declaration of the nullity of the forward gold contracts to sell 97,476 ounces of gold. Rothschild filed a motion to dismiss and this was denied by the Regional Trial Court (RTC) and subsequently by the Court of Appeals in December 2006. Rothschild elevated the matter to the Supreme Court (SC) in February 2007. On November 28, 2011, the SC denied the Motion to Dismiss of Rothschild and upheld the jurisdiction of the RTC over the person of Rothschild in the case for nullity of hedging contracts filed by the Parent Company in 2005. Trial of the case was completed by the RTC in 2017. In a decision dated February 5, 2019, the RTC ruled in favor of the Parent Company, declaring the forward gold contracts null and void. Defendant Rothschild filed an appeal with the Court of Appeals, which appeal was dismissed by the court in a decision dated May 26, 2022. Rothschild has filed a Petition for Review with the Supreme Court.

Bank Loans

Borrowings from a local bank are all clean loans with interest rates ranging from 8% to 13.97% in 2024 and in 2023.

On March 30, 2017, the Parent Company entered into an Omnibus Loan agreement amounting to ₱150,000 with United Coconut Planters Bank (UCPB). Maturity date of the said loan is on July 28, 2017. The loan carries interest per annum of 6.50%. The loan is payable in full on maturity date and, is secured by a certain equipment with a cost of ₱300,000 which covers 200% of the loan. The loan was rolled over at maturity date after the Parent Company paid ₱12,400 of principal amount, therefore carrying an outstanding balance of ₱137,600. Same terms and conditions apply for the rolled over loan. The new maturity date of the loan is November 24, 2017 but was rolled over again during 2017.

On March 30, 2017, the Parent Company entered into a Term Loan agreement amounting to ₱170,000 with UCPB. The loan carries an interest rate of 6.50% and will vary after the first payment depending on prevailing market rate and is payable in 12 equal and continuous quarterly amortizations. The loan is secured by a chattel mortgage of drilling equipment with a cost of ₱340,000 which is equivalent to 200% of the said loan.

Under the restructuring agreement dated June 30, 2023, principal loans were merged into one amounting ₱135,218 and an additional capitalized interest and other charges was recognized amounting to ₱64,908. The principal loan shall continue to carry interest at 8.00% per annum while the capitalized interest and other charges will be paid quarterly over 3 years starting September 29, 2023. Total loan payments are set at ₱12,300 quarterly for the first year, ₱12,000 quarterly for the second year, ₱13,000 for the third year and average of ₱11,274 quarterly for the fourth and fifth years. Loan payment for the restructured plan will end on June 30, 2028. The combined carrying value of the loans including the capitalized interest and other charges amounted to ₱113,789 and ₱180,836 as at December 31, 2024 and 2023, respectively. Total interest incurred for the said loan in 2024 and 2023 amounted to ₱7,408 and ₱5,367, respectively (see Note 27).

On January 17, 2020, DDCP entered into a loan agreement with Asia United Bank (AUB) also for additional working capital. The proceeds of the loan amounted to ₱1,042, net of processing fees, documentary stamp taxes and mortgage fees. The loan carries an interest per annum of 10.25% and is payable in 36 equal monthly installments of ₱35, which started on February 17, 2020. The loan is secured by a chattel mortgage of transportation equipment amounting to ₱1,064. Total interest incurred for the said loan in 2022 and 2021 amounted to ₱25, and ₱63 respectively (see Note 27).

On April 3, 2023, DDCP entered into a loan agreement with Rizal Commercial Banking Corporation for additional working capital amounting to ₱1,238. The loan carries an interest per annum of 13.97% and is payable in 36 equal monthly installments of ₱39. The Company acquired transportation equipment for the year amounting to ₱1,429, which is under a loan agreement and acts as the collateral itself. The carrying value of the loans amounted to ₱558 as at December 31, 2024. Total interest incurred for the said loan in 2024 amounted to ₱72 (see Note 27).

15. **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 has a Board-approved Material Related Party Transactions (Material RPTs) Policy defining Material RPTs and setting forth the approval procedure for the same in compliance with the requirements of Revised SRC Rule 68 and SEC Memorandum Circular 10, series of 2019.

Under the said policy, Material RPTs, that is, transactions which, either individually, or in aggregate over a 12-month period with the same related party, amount to at least ten percent (10%) of the Group's consolidated total assets based on its latest audited financial statements, need to be approved by at least a two-thirds (2/3) vote of the board of directors prior to execution.

Intercompany transactions involving subsidiaries are eliminated in the consolidated financial statements. The Group's related party transactions, which are under terms that are no less favorable than those arranged with third parties, are as follows:

	2024			
	Amount/ Volume	Outstanding Balance	Terms	Conditions
Subsidiaries and affiliates				
Receivables				
DDCP	**₱338**	**₱2,775**	**On demand; noninterest-bearing and collectible in cash**	**Unsecured, no impairment, not guaranteed**
LIDC	–	**20,321**	**On demand; noninterest-bearing and collectible in cash**	**Unsecured, no impairment, not guaranteed**
DMTC	–	–	**On demand; non-interest bearing and collectible in cash**	**Unsecured, no impairment, not guaranteed**
FSGRI	**74**	**4,940**	**On demand; noninterest-bearing and collectible in cash**	**Unsecured, no impairment, not guaranteed**
Advances to				
FSGRI	**–**	**94,140**	**On demand; noninterest-bearing and collectible in cash**	**Unsecured, no impairment, not guaranteed**
MMC (Note 11)	**26**	**–**	**Non-interest bearing and normally settled on 30-day term**	**Unsecured, no impairment, not guaranteed**
Payables				
DDCP	**523**	**(7,265)**	**On demand; non-interest bearing; and payable in cash**	**Unsecured, not guaranteed**
SI	**33**	**(196,715)**	**Noninterest bearing and collectible in cash**	**Unsecured, not guaranteed**
FSGRI	**–**	**(734)**	**On demand; non-interest bearing; and payable in cash**	**Unsecured, not guaranteed**
Rental				
DDCP	**182**	–	**Noninterest-bearing and normally settled on 30-day term**	**Unsecured, not guaranteed**
FSGRI	**1,612**	**–**	**Non-interest bearing and normally settled on 30-day term**	**Unsecured,not guaranteed**
Goods and Services				
DDCP	**91,159**	–	**Noninterest-bearing and normally settled on 30-day term**	**Unsecured, not guaranteed**
SI	**19,047**	–	**Noninterest-bearing and normally settled on 30-day term**	**Unsecured, not guaranteed**
Stockholders				
Payables:				
Various (Note 13)	**–**	**(56,084)**	**Noninterest-bearing and are normally settled in cash on 30-day term**	**Unsecured, no guarantee**

	2023			
	Amount/ Volume	Outstanding Balance	Terms	Conditions
Subsidiaries and affiliates				
Receivables				
DDCP	₱1,287	₱77,884	On demand; noninterest-bearing and collectible in cash	Unsecured, no impairment, not guaranteed
LIDC	57	6,403	On demand; noninterest-bearing and collectible in cash	Unsecured, no impairment, not guaranteed
DMTC	–	1,975	On demand; non-interest bearing; and collectible in cash	Unsecured, no impairment, not guaranteed
FSGRI	7,048	2,982	On demand; noninterest-bearing and collectible in cash	Unsecured, no impairment, not guaranteed
Advances				
FSGRI	–	94,140	On demand; noninterest-bearing and collectible in cash	Unsecured, no impairment, not guaranteed
MMC (Note 11)	557	12,369	Non-interest bearing and normally settled on 30-day term	Unsecured, no impairment, not guaranteed
Payables				
SI	20,592	(196,301)	Noninterest bearing and collectible in cash	Unsecured, not guaranteed
MMC (Note 13)	–	(12,650)	On demand; noninterest-bearing and collectible in cash	Unsecured, no impairment, not guaranteed
DMTC (Note 13)	–	(13,981)	On demand; noninterest-bearing and collectible in cash	Unsecured, no impairment, not guaranteed
DDCP	91,375	(7,265)	On demand; non-interest bearing; and payable in cash	Unsecured, not guaranteed
Advances from				
FSGRI	–	(5,674)	On demand; non-interest bearing; and payable in cash	Unsecured, not guaranteed
Rental				
FSGRI	2,513	–	Noninterest-bearing and normally settled on 30-day term	Unsecured, not guaranteed
DDCP	183	–	Non-interest bearing and normally settled on 30-day term	Unsecured,not guaranteed
Services				
DDCP	68,052	–	Noninterest-bearing and normally settled on 30-day term	Unsecured, not guaranteed
SI	20,592	–	Noninterest-bearing and normally settled on 30-day term	Unsecured, not guaranteed
Stockholders				
Payables:				
Various (Note 13)	–	(56,084)	Noninterest-bearing and are normally settled in cash on 30-day term	Unsecured, no guarantee

a. In the normal course of business, the Group grants and receives advances to and from its associates and stockholders, which are considered related parties.

   The corresponding receivables and payables arising from the said transactions, including operational support as at December 31, 2024 and 2023 are as follows:

b. On April 17, 2000, the Parent Company entered into a Trust Agreement with LIDC for the latter to serve as a second trustee for the Parent Company's retirement fund.

On March 31, 2003, the Parent Company entered into a separate Trust Agreement with LIDC whereby the latter ceased to be the second trustee of the Plans and instead to become the principal trustee. Prior to the Trust Agreement, the actual disbursements of the fund for the Plans, or payments to the retiree or beneficiaries, had been the responsibility of a local bank as the principal trustee. The Parent Company has decided to terminate the services of the local bank and consolidated to LIDC the administration of the Plans.

The carrying amount and fair value of the retirement fund amounted to ₱465,713 and ₱468,066 as at December 31, 2024 and 2023, respectively (see Note 17).

The retirement fund consists of cash in banks, short-term investments, investments in quoted and unquoted equity securities which accounts for 0.23% and 97.88% and 1.86% and 0.03% of the trust fund, respectively, as at December 31, 2024 (see Note 17).

The voting rights on the shares of stock rest on the trustees of the retirement fund, who are also the key management personnel of the Parent Company.

The Group made contributions to the trust fund amounting to ₱131,279 and ₱160,362 in 2024 and 2023, respectively (see Note 17).

c. Compensation of key management personnel are as follows:

	2024	2023	2022
Short-term benefits	**₱18,354**	₱62,996	₱73,538
Post-employment benefits	**–**	13,200	13,200
	₱18,354	₱76,196	₱86,738

16. Liability for Mine Rehabilitation Cost

	2024	2023
Balance at beginning of year	**₱13,978**	₱11,490
Effect of change in estimate (Note 9)	**7,768**	1,673
Accretion of interest (Note 27)	**844**	815
Balance at end of year	**₱22,590**	₱13,978

The Parent Company makes a full provision for the future cost of rehabilitating the mine site and other future costs on a discounted basis amounting to ₱22,590 and ₱13,978 as at December 31, 2024 and 2023, respectively. Provision for mine rehabilitation and decommissioning represents the present value of future rehabilitation and other costs. These provisions have been created based on the Parent Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take-into account any material changes to the assumptions. However, actual costs will ultimately depend upon future market prices for the necessary works required which will reflect market conditions at the relevant time. Furthermore, the timing of the rehabilitation and expenditure of other costs is likely to depend on when the mine ceases to produce at economically viable rates, and the timing that the event for which the other provisions provided for will occur.

The Parent Company re-estimated its mine rehabilitation and decommissioning obligation as at December 31, 2024 and 2023 based on latest cost estimates and discount rate resulting to an addition of ₱7,768 and ₱1,673 and a gain on remeasurement of mine rehabilitation liability amounting to nil and nil, respectively (see Note 28). As a result of the updates in estimates, provision for mine rehabilitation and decommissioning capitalized under mine and mining properties amounted to ₱7,768 and ₱1,673 as at December 31, 2024 and 2023, respectively (see Notes 9).

Discount rate used by the Parent Company is 6.03% in 2024 and 2023.

17. **Retirement Plans**

The Parent Company has funded, noncontributory defined benefit retirement plans covering substantially all regular employees, while DDCP, FSGRI and SI have unfunded defined benefit retirement plans. Benefits are dependent on the years of service and the respective employee's compensation. The defined benefit retirement obligation is determined using the projected unit credit method.

The amounts of defined benefit retirement expense recognized in the consolidated statements of comprehensive income follow:

	2024			2023			2022		
	Funded	**Unfunded**	**Total**	Funded	Unfunded	Total	Funded	Unfunded	Total
Current service cost (Note 25)	**₱23,667**	**₱244**	**₱23,911**	₱29,609	₱1,322	₱30,931	₱46,068	₱2,438	₱48,506
Interest cost - net (Note 27)	**54,560**	**1,507**	**56,067**	58,431	3,434	61,865	59,248	2,896	62,144
	₱78,227	**₱1,751**	**₱79,978**	₱88,040	₱4,756	₱92,796	₱105,316	₱5,334	₱110,650

The Group has current service costs capitalized to mine exploration costs amounted to nil, ₱885 and ₱1,613 in 2024, 2023 and 2022, respectively. Further, interest costs capitalized to mine exploration costs in 2024, 2023 and 2022 amounted to nil, ₱741 and ₱549, respectively.

The amounts of remeasurement gain (loss) recognized in the consolidated statements of comprehensive income follow:

	2024	2023	2022
Remeasurement gain (loss) on retirement	**(₱325,957)**	(₱29,190)	₱271,265
Income tax effect of statutory income tax	**81,489**	7,297	(67,816)
Effect of change in tax rate due to CREATE	–	–	–
Effect of dilution of investment in associate	–	–	82
Remeasurement gain (loss) on retirement liability - net of tax	**(₱244,468)**	(₱21,893)	₱203,531

The table below shows the movement analysis of remeasurement gain (loss) on retirement benefits liability in the Group's statements of financial position as at December 31, 2024, 2023 and 2022:

	2024	2023	2022
Balance at beginning of year	**₱125,613**	₱147,506	(₱56,025)
Remeasurement gain (loss) during the year	**(244,468)**	(21,893)	203,531
Balance at end of year	**₱118,855**	₱125,613	₱147,506

The amounts of defined benefit retirement obligation recognized in the consolidated statements of financial position follow:

	Funded			Unfunded	
2024	**Defined Benefit Liability**	**Fair Value of Plan Assets**	**Net Defined Benefit Liability**	**Defined Benefit Liability**	**Total**
Balances at beginning of year	**₱1,390,401**	**₱465,713**	**₱924,688**	**₱37,717**	**₱962,405**
Interest cost/income	**82,034**	**27,474**	**54,560**	**1,507**	**56,067**
Current service cost	**23,667**	**–**	**23,667**	**244**	**23,911**
Benefits paid from plan asset	**(131,388)**	**(131,388)**	**–**	**(11,256)**	**(11,256)**
Benefits shouldered by the Company	**–**	**–**			
Actuarial gain/loss:					
Change in financial assumptions	**(44,347)**	**(10,957)**	**(33,390)**	**390**	**(33,000)**
Change in demographic assumptions	**(32,159)**	**-**	**(32,159)**	**(350)**	**(32,509)**
Experience adjustments	**398,292**	**-**	**398,292**	**(6,848)**	**391,444**
Gain on settlement	**–**	**–**	**–**		
Contributions	**-**	**131,279**	**(131,279)**	**-**	**(131,279)**
Balances at end of year	**₱1,686,500**	**₱482,121**	**₱1,204,379**	**₱21,404**	**₱1,225,783**

	Funded			Unfunded	
2023	Defined Benefit Liability	Fair Value of Plan Assets	Net Defined Benefit Liability	Defined Benefit Liability	Total
Balances at beginning of year	₱1,458,424	(₱468,066)	₱990,358	₱51,815	₱1,042,173
Interest cost/income	86,047	(27,616)	58,431	3,434	61,865
Current service cost	29,609	–	29,609	1,322	30,931
Benefits paid from plan asset	(160,024)	160,024	–	(7,878)	(7,878)
Benefits shouldered by the Company	(23,655)	–	(23,655)	–	(23,655)
Actuarial gain/loss:					
Change in financial assumptions	–	30,307	30,307	498	30,805
Gain on settlement	–	–	–	(11,474)	(11,474)
Contributions	–	(160,362)	(160,362)	–	(160,362)
Balances at end of year	₱1,390,401	(₱465,713)	₱924,688	₱37,717	₱962,405

The overall expected return on plan assets is determined based on the market prices prevailing on that date applicable to the period over which the obligation is to be settled.

The major categories of the Group's plan assets as a percentage of the fair value of total plan assets follow:

	2024	2023	2022
Cash in banks	**0.17%**	0.23%	0.16%
Short-term investments	**98.33%**	97.88%	97.39%
Equity investments:			
Quoted	**1.46%**	1.86%	2.41%
Unquoted	**0.03%**	0.03%	0.04%
	100%	100%	100.00%

The principal assumptions used in determining pension and post-employment benefits for the Group's plan assets averages in 2024, 2023 and 2022 follow:

	2024	2023	2022
Discount rate	**6.11%**	5.90%	5.90%
Expected rate of return on plan assets	**4.30%**	4.30%	4.30%
Salary increase rate	**3% (every two years)**	2.00% for 2024 onwards	0% for 2023; 2.00% for 2024 onwards
Turnover rate	**Across the board 5.00% rate**	Across the board 5.00% rate	Across the board 5.00% rate
Mortality rate	**1994 US Group Annuity Mortality**	1994 US Group Annuity Mortality	1994 US Group Annuity Mortality

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

	Increase (decrease)	**2024**	2023
Discount rates	+0.25%	**(₱379)**	(₱2,476)
	-0.25%	**4,244**	2,476
Salary increase rate	+1.00%	**2,034**	2,034
	-1.00%	**(1,937)**	(1,937)

The average future working years of service covered by the Group's retirement benefit plan is 11 years in 2024 and nine to 11 years in 2023.

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

1 to 5 years	₱871,437
6 to 10 years	519,657
11 to 15 years	411,952
16 years and up	777,323
	₱2,580,369

18. **Income Taxes**

Current provision for income tax in 2024 pertains to FSGRI's and DDCP's Regular Corporate Income Tax (RCIT) amounting to ₱5,881 and SSI and LIDC's Minimum Corporate Income Tax (MCIT) amounting to ₱350. Current provision for income tax in 2023 pertains to FSGRI and DDCP's Regular Corporate Income Tax (RCIT) amounting to ₱9,535 and SSI's Minimum Corporate Income Tax (MCIT) amounting to ₱234.

The components of the Group's deferred tax assets and liabilities at December 31, 2024 and 2023 follow:

	Deferred Tax Assets -net		Deferred Tax Liabilities -net	
	2024	2023	**2024**	2023
Recognized directly in profit or loss:				
Accrual of:				
Retirement benefits liability	**₱233,145**	₱243,822	**₱5,562**	₱9,451
Liability for mine rehabilitation cost	**3,705**	3,494	–	
Lease liability				
Provisions for:				
Inventory obsolescence	**7,712**	7,712	**1,466**	232
Impairment losses on property, plant and equipment	**5,983**	5,983	–	
Impairment losses on receivables	**61**	61	**4,455**	3,700
Unrealized foreign exchange losses	**476**	675	–	
Various expense	**719**	102	**2,024**	1,043
Unbilled revenue	–	–		
Remeasurement of DBO	–	–		
Recognized directly in other comprehensive income:				
Retirement benefits liability	**41,583**	–	–	1,087
Deferred tax assets	**293,384**	261,849	**13,507**	15,513
Recognized directly in profit or loss:				
Revaluation increment on land	**62,125**	(62,125)	**87,537**	(87,537)
Cost of mine rehabilitation and decommissioning	**1,942**	(418)	–	
Right-of-use assets	**696**	(94)	–	
Unrealized foreign exchange gains	**(342)**	(301)	**99,213**	(99,221)
Unbilled revenue	–	–	–	(4,992)
Remeasurement of RBO	**211**	(41,602)	–	(727)
Various accrued expense	–	–	–	–
Recognized directly in other comprehensive income:				
Retirement benefits liability	–	–	–	–
Deferred tax liabilities	**64,632**	(104,540)	**186,750**	(192,477)
Net deferred tax assets (liabilities)	**₱228,752**	₱157,309	**(₱173,243)**	(₱176,964)

The reconciliation of the Group's provision for income tax for the three years ended December 31, 2024 computed at the statutory tax rates to the provision for (benefit from) income tax shown in the consolidated statements of comprehensive income follow:

	2024	2023	2022
Tax at statutory income tax rates	**(₱37,058)**	(₱15,673)	(₱118,193)
Additions to (reductions in) income taxes resulting from tax effects of:			
NOLCO and Excess MCIT for which no deferred tax assets were recognized	**5,599**	278	193,258
Change in unrecognized DTA	**(26)**	89,765	(69,763)
Unrecognized DTA	**5,118**	–	–
Nondeductible expenses	**69,897**	1,261	8,711
Nontaxable income	**(10,367)**	(36,844)	(6,186)
Share in operating results of associates	**47**	690	690
Interest income subjected to final tax	**(14)**	(7)	(8)
Provision for impairment loss on investment in associate	**49**	–	–
Others	–	(669)	(690)
Tax at effective income tax rates	**₱23,431**	₱38,801	₱7,819

The Group did not recognize deferred income tax assets on certain NOLCO and excess MCIT over RCIT because management believes that it is more likely than not that the carryforward benefits will not be realized in the near future.

	2024	2023
NOLCO	**₱2,045,364**	₱2,039,708
Provisions	**31,193**	31,193
Allowance for impairment of investments in associates	**14,874**	14,676
Allowance for expected credit losses on receivables	**143**	143
Excess MCIT over RCIT	**1,386**	1,401
	₱2,092,960	₱2,087,121

As of December 31, 2024, the Group has incurred NOLCO and excess MCIT over RCIT before taxable year 2021 which can be claimed as deduction from future taxable income and income tax payable and, excess MCIT over RCIT that can be claimed as tax credit, respectively, as follows:

Year Incurred	Year of Expiration	NOLCO	Excess MCIT over RCIT
2020	2025	581,108	1,170
2021	2026	553,132	112
2022	2025	552,827	237
2023	2026	–	–
2024	2027		
		₱1,687,067	₱1,519

Movements of NOLCO and excess MCIT over RCIT for the years ended December 31, 2024 and 2023 are as follows:

NOLCO	2024	2023
Balances at beginning of year	**₱2,040,382**	₱1,687,067
Additions	**5,830**	353,489
Applications	–	–
Expirations	–	–
Balances at end of year	**₱2,046,212**	₱2,040,556

Excess MCIT over RCIT	2024	2023
Balances at beginning of year	**₱1,504**	**₱1,519**
Additions	–	–
Expirations	–	**(15)**
Balances at end of year	**₱1,504**	**₱1,504**

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.

As at December 31, 2024, the Group has incurred NOLCO that can be claimed as deduction from future taxable income for the next three to five consecutive taxable years, as follows:

Parent Company

Year Incurred	Availment Period	NOLCO Unapplied Previous Years	NOLCO Incurred Current Year	NOLCO Expired	NOLCO Applied Current Year	NOLCO Unapplied Current Year
2020	2021-2025	580,903	–	–	(42,867)	538,036
2021	2022-2026	551,344	–	–	–	551,344
2022	2023-2025	552,571	–	–	–	552,571
2023	2024-2026	–	353,315	–	–	353,315
		₱1,684,818	₱353,315	₱–	₱–	₱

LIDC

Year Incurred	Availment Period	NOLCO Unapplied Previous Years	NOLCO Incurred Current Year	NOLCO Expired	NOLCO Applied Current Year	NOLCO Unapplied Current Year
2020	2021-2025	205	–	–	–	205
2021	2022-2026	940	–	–	–	940
2022	2023-2025	256	–	–	–	256
2023	2024-2026	174	–			174
2024	2024-2026	–	187			187
		₱1,	₱187	₱–	₱–	₱1,762

DDCP

Year Incurred	Availment Period	NOLCO Unapplied Previous Years	NOLCO Incurred Current Year	NOLCO Expired	NOLCO Applied Current Year	NOLCO Unapplied Current Year
2021	2022-2026	₱848	₱–	₱–	₱–	₱848
		₱848	₱–	₱–	₱–	₱848

SSI

Year Incurred	Availment Period	NOLCO Unapplied Previous Years	NOLCO Incurred Current Year	NOLCO Expired	NOLCO Applied Current Year	NOLCO Unapplied Current Year
2023	2026	₱–	₱3,537	₱–	₱–	₱3,537
		₱–	₱3,537	₱–	₱–	₱3,537

FSGRI

Year Incurred	Availment Period	NOLCO Unapplied Previous Years	NOLCO Incurred Current Year	NOLCO Expired	NOLCO Applied Current Year	NOLCO Unapplied Current Year
2020	2021-2025	₱107	₱–	₱–	(₱107)	₱–

19. **Capital Stock**

The Parent Company's authorized share capital is ₱6.64 billion divided into 66.4 billion shares at ₱0.10 par value each, consisting of 39.8 billion Class "A" and 26.6 billion Class "B" common shares.

Only Philippine nationals are qualified to acquire, own, or hold Class "A" shares. The total number of Class "B" shares of stock subscribed, issued or outstanding at any time shall in no case exceed two/thirds (2/3) of the number of Class "A" shares or 40 of the aggregate number of Class "A" and Class "B" shares then subscribed, issued or outstanding.

As at December 31, 2024 and 2023, the Parent Company's capital stock is as follows:

	No. of shares	Amount
Issued and outstanding		
Class "A"	39,821,417,656	₱3,982,142
Class "B"	26,552,508,993	2,655,251
	66,373,926,649	6,637,393
Subscribed		
Class "A"	1,451,540	145
Class "B"	379,908	38
	1,831,448	183
Total shares issued and subscribed	66,375,758,097	6,637,576
Less subscription receivable		1,891
		₱6,635,685

On August 15, 2005, the Parent Company's BOD approved the offer of 2,558,803,769 Class "A" shares and 1,705,868,182 Class "B" shares, or 1 share for every 5 shares held by shareholders as at September 21, 2005 from the Parent Company's unissued capital stock at the offer price of ₱0.20 per share. The offer of shares was exempt from registration. As at the end of that year, the Parent Company had 22,035 stockholders.

On July 17, 2006, the Parent Company's BOD approved the offer of 1,919,102,827 Class "A" shares and 1,279,401,137 Class "B" shares, or 1 share for every 8 shares held by shareholders as at August 16, 2006 from the Parent Company's unissued capital stock at the offer price of ₱0.20 per share. The sale of shares was exempt from registration. As at the end of that year, the Parent Company had 21,788 stockholders.

On November 19, 2007, the Parent Company's BOD approved the grant of the 17th Stock Option Awards (Awards) to selected employees, directors and officers of the Group in accordance with the BOD approved Revised Stock Option Plan ("RSOP"). The Awards cover a total of 420,000,000 common shares consisting of 252,000,000 Class "A" and 168,000,000 Class "B" shares from the Parent Company's unissued capital stock, exercisable at the price of ₱0.32 per share, within five (5) years from the date of SEC approval of the same. The option price of ₱0.32 per share was computed based on a new formula in the RSOP, i.e., the amount equivalent to 80% of the average closing price of the stock for the ten (10) trading days immediately preceding the date of the approval of the Grant by the Parent Company's BOD. The SEC approved the Awards and the RSOP on February 1, 2008.

On February 18, 2008, the Parent Company's BOD approved the offer of 2,467,419,971 Class "A" shares and 1,644,944,414 Class "B" shares, or one (1) share for every seven (7) shares held by shareholders as at March 25, 2008 from the Parent Company's unissued capital stock at the offer price of ₱0.25 per share. The offer of shares was exempt from registration. As at the end of that year, the Parent Company had twenty-one thousand four hundred thirty-nine (21,439) stockholders. By virtue of the 1:7

stock rights offering at the price of ₱0.25 per share approved by the Parent Company's BOD on February 18, 2008, the shares covered by the Awards increased by 36,000,000 Class "A" shares and 24,000,000 Class "B" shares. The average option price was accordingly adjusted to ₱0.3112 per share.

During the annual meeting of the stockholders on April 20, 2009, the shareholders approved the increase in the authorized capital stock from ₱3.35 billion to ₱6.64 billion. The stockholders also approved the one-time waiver of their pre-emptive right to subscribe to issues or dispositions of shares of the Parent Company in proportion to their respective shareholdings but only with respect to the issues or dispositions of shares in support of the increase in the authorized capital stock to ₱6.64 billion, provided that the shares to be issued to support such increase in the Authorized Capital Stock shall not exceed 20% of the stock subscribed, issued and outstanding after such issuance.

On October 18, 2010, the Parent Company's BOD approved the offer of 6,031,372,952 Class "A" shares and 4,020,909,888 Class "B" shares, or one (1) share for every 3.3 shares held by shareholders as at December 3, 2010 at the offer price of ₱0.30 per share to support the increase in the Parent Company's authorized capital stock from ₱3.35 billion to ₱6.64 billion. The offer was approved and confirmed by the SEC as an exempt transaction on November 9, 2010. As at the end of that year, the Parent Company had 21,173 stockholders.

By virtue of the 1:3.3 stock rights offering at ₱0.30 per share approved by the Parent Company's BOD on October 18, 2010, the number of shares covered by the Awards, specifically those for the fourth and fifth years of the option, increased by 33,409,662 Class "A" and 22,273,108 Class "B" shares. Accordingly, the average option price was adjusted to ₱0.3086 per share.

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

On September 15, 2014, the BOD approved an offer to shareholders, on record as at November 12, 2014, the right to subscribe to one share of common stock for every 5.5 shares held on such record date at the price of ₱0.20 per share from the Parent Company's unissued capital stock. Proceeds from the offering were utilized for the settlement of debts as well as for the exploration programs covering the Victoria, Enargite, and Honeycomb areas.

On July 17, 2017, the BOD approved an offer to shareholders, on record as at November 6, 2017, the right to subscribe to one share of common stock for every 4.685 shares held on such record date at the price of ₱0.15 per share from the Parent Company's unissued capital stock. Proceeds from the offering were/will be utilized for the further exploration and development of the Copper-Gold project and settlement of debts and pension obligations. As at December 31, 2017, the Parent Company's proceeds from the said offering amounted to ₱118,425.

Further to the Parent Company's SRO last November 6, 2017, proceeds from the offering amounted to ₱1,633,420 as at January 15, 2018.

Subscription Receivable amounting to ₱802,299 pertaining to the uncollected balance from the offering as of December 31, 2017 were fully collected as at January 15, 2018.

On June 15, 2020, the BOD approved and recommend to shareholders for approval, the amendment of the Articles of Incorporation for the purpose of (1) increasing the authorized capital stock from ₱6.64 Billion to ₱12.00 Billion; and (2) removing the requirement in paragraph (b) that "The total number of shares "B" common stock will shall at any time be subscribed, issued and outstanding shall in no case exceed four-sixths (4/6) of the number of shares of class "A" and class "B" common stock subscribed, issued, and outstanding". On July 27, 2020, the Board decided that the plans for amendment of the Articles of Incorporation and increase in authorized capital stock will no longer be taken up at the annual meeting as it was not necessary.

On February 2, 2022, in a special meeting, the BOD amended the board resolution dated June 15, 2020, approving the increase in the authorized capital stock from ₱6.64 billion to ₱9.00 billion, which superseded the earlier proposal.

During the special meeting of the stockholders on March 21, 2022, the shareholders approved the amendment to article VII of the Articles of Incorporation to reflect the increase in the authorized capital stock from ₱6.64 billion to ₱9.00 billion.

On April 7, 2022, the BOD approved an offer to shareholders, the right to subscribe to one share of common stock for every 4.6 shares held on such record date at the price of ₱0.14 per share from the Parent Company's unissued capital stock. Proceeds from the offering will be utilized to fund exploration drilling for gold and copper deposits; settlement of payables, pension update, capital expenditures, and for working capital.

On July 18, 2022, the price and other details of the stock rights offering have been changed in consideration of the present market conditions, as authorized by the BOD. The offer to shareholders was the right to subscribe to one share of common stock for every 3.95 shares held on such record date at the price of ₱0.12 per share from the Parent Company's unissued capital stock. The total number of shares offered amounts to 16.80 billion and the value of the stock rights offering amounts to ₱2.02 billion. The record and ex-dates as well as the Offer Period are yet to be announced upon PSE approval of the pertinent listing application.

The Parent Company has 22,035, 27,684 and 27,670 stockholders as at December 31, 2024, 2023 and 2022, respectively.

20. **Non-controlling Interests (NCI)**

NCI represent third parties' interests in FSGRI.

Financial information of subsidiary that has material NCI is provided below:

	Principal Place of Business	**2024**	2023
FSGRI	Philippines	**40%**	40%

Equity attributable to material NCI:

	2024	2023
FSGRI	**₱254,381**	₱254,558

Net income and OCI attributable to material NCI:

	2024	2023	2022
FSGRI			
Net loss	**(1,690)**	69	(₱11,231)
OCI	**–**	373	(6,237)

The summarized financial information of this subsidiary is provided below. This information is based on amounts before intercompany eliminations.

	2024	2023
Operating expenses	**(₱1,062)**	**(₱730)**
Unrealized forex loss	**(1,058)**	**(452)**
Other income	**3,412**	**1,092**
Income (loss) before income tax	**1,292**	**(90)**
Provision for income tax	**398**	**21**
Net income (loss)	**1,690**	**(69)**
Other comprehensive income (loss)	**–**	**(373)**
Total comprehensive loss	**(1,690)**	**(442)**
Attributable to NCI	**(₱676)**	**(₱177)**

Summarized statements of financial position as at December 31, 2024 and 2023 are as follows:

	2024	2023
Current assets	**₱7,273**	₱12,452
Noncurrent assets	**7,435,107**	7,389,509
Current liabilities	**(150,609)**	(173,273)
Noncurrent liabilities	**(6,650,882)**	(6,589,490)
Net assets	**₱640,889**	₱639,198

Attributable to:	2024	2023
Equity holders of the Parent Company	**₱385,832**	₱384,817
NCI	**255,057**	254,381

Summarized cash flow information for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Operating	**(₱25,268)**	(₱163)
Investing	**(41,917)**	(57,662)
Financing	**61,003**	58,384
Effect of exchange rate changes on cash	**890**	416
Net decrease in cash	**₱4,299**	₱975

21. **Earnings Per Share**

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

In computing for the diluted earnings (loss) per share, the Parent Company considered the effect of any potentially dilutive stock options outstanding as at December 31, 2024 and 2023. There were no outstanding stock options as of December 31, 2024 and 2023.

	2024	2023	2022
Net income (loss) attributable to equity holders of the Parent Company	**₱123,785**	(₱107,474)	(₱499,299)
Weighted average number of common shares for basic and diluted loss per share	**66,373,758**	66,373,758	66,373,758
Basic/Diluted earnings (loss) per share	**₱0.0018**	(₱0.0016)	(₱0.0075)

22. Cost of Sales

	2024	2023	2022
Consumables and supplies (Note 6)	**₱796,380**	₱628,709	₱497,085
Depletion, depreciation, and amortization	**408,169**	472,987	451,931
Personnel costs (Note 25)	**435,969**	388,698	425,314
Utilities	**299,160**	307,605	229,150
Repairs and maintenance	**70,921**	129,165	254,009
Production tax	**110,882**	99,541	76,295
Contractual services	**21,690**	53,590	25,863
Outside Services	**50,149**	24,193	17,811
Professional fees	**19,621**	16,539	21,044
Taxes, duties and licenses	**11,067**	11,654	10,870
Freight and handling charges	**1,836**	4,450	10,131
Insurance expense	**7,314**	2,993	6,377
Others	**21,213**	15,441	7,124
Total	**₱2,254,371**	₱2,155,565	₱2,033,004

Depletion, depreciation and amortization includes amortization for intangible assets under "Other noncurrent assets" amounting to ₱381, ₱291 and ₱243 in December 31, 2024, 2023 and 2022, respectively.

23. Cost of Services

	2024	2023	2022
Consumables and supplies (Note 6)	**₱39,878**	₱18,273	₱27,707
Personnel costs (Note 25)	**19,230**	17,124	19,106
Repairs and maintenance	**8,678**	2,125	12,055
Transportation and travel	**846**	464	1,611
Taxes, duties and license fees	**700**	1,197	2,419
Depreciation and amortization	**637**	3,892	12,021
Utilities	**234**	921	657
Professional fees	**185**	268	–
Others	**398**	323	128
	₱70,786	₱44,587	₱75,704

24. **Operating Expenses**

	2024	2023	2022
Personnel costs (Note 25)	**₱99,353**	₱91,079	₱81,751
Disallowed VAT Claims	**68,179**	91,308	16,365
Taxes, duties and license fees	**18,347**	7,434	17,311
Utilities	**12,499**	12,067	10,943
Professional fees	**11,509**	12,898	10,482
Depreciation and amortization	**10,910**	10,316	13,929
Consumables and supplies (Note 6)	**10,369**	7,508	8,704
Representation and entertainment	**7,531**	7,464	6,915
Security and janitorial fees	**7,167**	6,208	6,046
Outside services	**5,125**	3,925	4,396
Transportation and travel	**3,791**	5,792	4,460
Rentals	**3,756**	4,060	4,037
Repairs and maintenance	**2,576**	3,276	2,083
Consultancy and director's fee	**1,884**	1,833	2,292
Insurance expense	**1,553**	6,764	6,407
Stockholders' meeting and expenses	**560**	759	995
Bank charges	**615**	422	440
Provision for impairment losses on receivable (Note 5)	**–**	1,321	–
Others	**2,659**	4,617	4,948
	₱268,383	₱279,051	₱202,504

25. **Personnel Costs**

	2024	2023	2022
Cost of sales (Note 22)	**₱435,969**	₱388,698	₱425,314
Cost of services (Note 23)	**19,230**	17,124	19,106
Operating expenses (Note 24)	**99,353**	91,079	81,751
	₱554,552	₱496,901	₱526,171

Details of personnel costs follow:

	2024	2023	2022
Salaries and wages	**₱426,713**	₱457,222	₱460,891
Retirement benefits (Note 17)	**23,668**	46,893	56,588
Others	**104,171**	22,056	6,239
	₱554,552	₱526,171	₱523,718

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

Non-cash investing and financing activities pertain to the following:

2024

- Increase in liability for mine rehabilitation costs amounting to ₱ 7,768 due to the effect of change in estimate and accretion of interest amounting to ₱844.
- Increase in other noncurrent assets amounting to ₱185 due to amortization of intangible assets and reclassifications of input VAT from noncurrent assets to current assets amounting to ₱107,787.

2023

- Increase in liability for mine rehabilitation costs amounting to ₱1,673 due to the effect of change in estimate and accretion of interest amounting to ₱815.
- Increase in other noncurrent assets amounting to ₱291 due to amortization of intangible assets and reclassifications of input VAT from noncurrent assets to current assets amounting to ₱107,789.

2022

- Decrease in liability for mine rehabilitation costs amounting to ₱3,704 due to the effect of change in estimate and accretion of interest amounting to ₱718.
- Increase in right of use assets and lease liability of ₱4,495, due to renewal of lease contracts.
- Increase in other noncurrent assets amounting to ₱243 due to amortization of intangible assets, adjustments to capitalize interest and other charges under the restructuring plan amounting to ₱39,775, and reclassifications of refundable security deposits from other current assets amounting to ₱392 and reclassifications of input VAT from noncurrent assets to current assets amounting to ₱69,209.

Movements on the reconciliation of liabilities arising from financing activities are as follows:

2024	**January 1, 2024**	**Cashflows**	**Foreign exchange**	**Restructuring /Addition**	**Leases**	**December 31, 2024**
Interest-bearing loans and borrowings	**₱237,168**	**(₱64,591)**	**(₱385)**	**₱–**	**–**	**₱172,192**
Lease liabilities	**1,940**	**(4,127)**	**–**	**4,773**	**290**	**2,876**
Total liabilities from financing activities	**₱239,108**	**(₱68,718)**	**(₱385)**	**₱4,773**	**₱290**	**₱175,068**

2023	January 1, 2023	Cashflows	Foreign exchange	Restructuring/ Addition	Leases	December 31, 2023
Interest-bearing loans and borrowings	₱240,162	(₱19,612)	(₱385)	₱17,003	₱–	₱237,168
Lease liabilities	10,049	(₱8,659)	–	–	550	1,940
Total liabilities from financing activities	₱250,211	(₱28,271)	(₱385)	₱17,003	₱550	₱239,108

2022	January 1, 2022	Cashflows	Foreign exchange	Restructuring/ Addition	Leases	December 31, 2022
Interest-bearing loans and borrowings	₱176,641	(₱21,586)	₱4,756	₱80,351	₱–	₱240,162
Lease liabilities	13,350	(7,796)	–	–	4,495	10,049
Total liabilities from financing activities	₱189,991	(₱29,382)	₱4,756	₱80,351	₱4,495	₱250,211

27. **Finance Costs**

	2024	2023	2022
Interest expense on short-term and long-term borrowings (Note 14)	**₱64,688**	₱5,436	₱10,006
Interest cost on retirement liability - net (Note 17)	**1,507**	61,124	61,595
Accretion of interest on mine rehabilitation costs (Note 16)	**844**	815	718
Interest cost on lease liability (Note 30g)	**264**	76	150
Others	**6,918**	4,039	–
	₱74,221	₱71,490	₱72,469

28. **Other Income - net**

	2024	2023	2022
Gain (loss) on disposal of property, and equipment and inventories - net (Note 6 and 9)	**₱3,078**	(₱1,478)	₱33,127
Rental income	**1,022**	–	–
Sale of scrap	**534**	527	–
Impairment loss on investment in associate (Note 11)	**(198)**	(83)	–
Parking Fees	**52**	235	–
Interest income (Note 4)	**46**	33	38
Loss on dilution of investment in associates (Note 11)	–	–	(8,458)
Gain on remeasurement of rehab liability (Note 9 and 16)	–	–	3,704
Loss on sale of scrap inventories	–	–	782
Interest income from others	–	–	434
Gain on sale of investment in associates	–	–	87
Loss on disposal of parts and supplies	**452**	–	–
Gain on settlement of retirement liability (Note 17)	–	11,474	–
Gain on Foreign Exchange Valuation	**1**	–	–
Miscellaneous income (loss)	**19,381**	(10,835)	18,426
	₱24,368	(₱127)	₱48,157

Miscellaneous income (loss) of the Group pertains to disposal of low-grade concentrates.

29. **Revenues**

	2024	2023	2022
Revenue from contracts with customers:			
Sale of bullion	**₱2,785,517**	₱2,478,227	₱1,851,172
Other revenue	**16,025**	13,850	10,650
	2,801,542	2,492,077	1,861,822
Other revenues:			
Rent income (Note 30g)	**2,265**	467	1,770
Mark-to-market losses	**(3,843)**	(3,843)	(5,306)
	₱2,799,964	₱2,488,701	₱1,858,286

Sale of Bullion
The Parent Company entered into RA with Heraeus Limited (Heraeus) in 2005 for the refining of the former's gold and silver bullion production. Each shipment of materials under the agreement will consist of no less than 20 kilograms of materials.

At settlement, the prices for all sales are as follows:

- Gold - the London Bullion Market Association PM fixing in US$
- Silver - the London Bullion Market Association fixing in US$

Heraeus shall settle the metal payables initially up to 98% of the provisional values less smelting and treatment charges while the remaining balance shall be paid after determining the final assayed gold and silver contents of refined materials for each shipment.

Smelting and refining charges include refining, transportation and insurance charges incurred by Heraeus. These charges are deducted from the amount receivable from Heraeus. On January 1, 2008, the RA was renewed under the same terms. A further renewal was made on October 1, 2013, effective for two years. Heraeus confirmed purchase of gold and silver for the year 2015, also under the same and existing terms, in their letter dated April 1, 2015. On October 1, 2021, the refining agreement was renewed under the same terms of the previous year contract to be applied prospectively. In October 2023, the Parent Company and Heraeus entered into another Refining and Transportation agreement effective until October 1, 2025.

Sale of Concentrate
On March 1, 2021, Parent Company entered into a gold concentrate contract with Open Mineral AG. The Parent Company agreed to deliver the materials in big bags in 45 wet metric tons plus/minus ten percent (+/-10%) chosen by Open Mineral AG in its discretion. The contract shall have a duration from March 1, 2021 to May 31, 2021 which will remain in full force until all financial and delivery obligations have been fully fulfilled by Open Mineral AG and the Parent Company. In year 2021, all the conditions have been fulfilled by both parties. The concentrate revenue recognized by the Parent Company amounting to ₱2,752 was pertaining to sales of remaining concentrate to Open Mineral AG from 2020 production.

At settlement, the prices for all sales are as follows, following the month after shipment:

- Gold - the London Bullion Market Association AM and PM monthly average fixing in US$
- Silver - the London Bullion Market Association monthly average fixing in US$
- Copper - the London Metal Exchange monthly average settlement prices in US$

Smelting and refining charges in 2024, 2023, and 2022 related to sale of bullion and concentrates amounted to ₱3,887, ₱4,188 and ₱4,017 , respectively.

30. **Commitments, Agreements, Contingent Liabilities and Other Matters**

(a) The Parent Company's BOD approved its execution of an Option and Shareholders' Agreement ("Agreement") with Gold Fields Switzerland Holding AG ("GFS"), a wholly owned subsidiary of Gold Fields Limited, in relation to the development and operation of the Far Southeast Project.

The Agreement grants GFS an option to subscribe to new shares of FSGRI representing a 20% interest in FSGRI within 18 months from the execution of the Agreement or 10 days from the issuance of a Financial or Technical Assistance Agreement (FTAA) over the Project area, whichever comes later. If the option is exercised by GFS, the Parent Company's interest in FSGRI will be reduced from 60% to 40%.

The Parent Company was paid a non-refundable option fee of US$10 million. The option requires GFS to sole-fund pre-development expenses including exploration and a feasibility study of the Project and contribute US$110 million into FSGRI. GFS must also contribute its proportionate share of the development cost at which point GFS will receive its 20% interest in FSGRI.

On 8 July 2024, the Parent Compay, FSGRI and the Gold Fields group have agreed to terminate the Option and Shareholders' Agreement dated 20 September 2010 in respect of the Far Southeast Project. The exploration program sole-funded by Gold Fields has resulted in an inferred mineral resource of 19.8 million oz. gold and 4.6 million tons copper.

(b) In an agreement entered into with Philippine Associated Smelting & Refining Corporation (PASAR) on April 21, 1983, the Parent Company committed to deliver to PASAR and PASAR committed to take in a minimum quantity of its calcine production from its roaster plant in accordance with the pricing and payment terms defined in the agreement. The agreement is for an indefinite period unless otherwise terminated or cancelled pursuant to agreed terms or by the parties' mutual consent. In 1998, the agreement was suspended for an indefinite period in view of the temporary cessation of the Parent Company's roaster plant operations.

(c) On March 3, 1990, FSGRI entered into a MPSA with the Philippine Government through the Department of Environment and Natural Resources (DENR) and the Parent Company pursuant to Executive Order No. 279. Under the terms of the agreement, FSGRI shall pay the Philippine Government a production share of 2% on gross mining revenues and 10% on net mining revenues payable within 30 days at the end of each financial reporting year and such will commence upon the start of FSGRI's commercial operations. The said government shares have been effectively revised by Republic Act. No. 7942 or the Philippine Mining Act, Sec. 84 of which states that the excise tax on mineral products provided under Sec. 151 of the National Internal Revenue Code shall be the government share under the MPSA.

The initial term of this agreement shall be twenty-five contract years from the effective date, subject to termination as provided in the agreement, and renewable for another period of twenty-five years upon such terms and conditions as may be mutually agreed upon by the parties or as may be provided for by law.

In November 2011, pursuant to the Agreement with GFS, the Parent Company filed a letter of intent with the Mine and Geosciences Bureau to convert portions of MPSA No. 01-90-CAR, MPSA No. 151-2000-CAR and APSA No. 096 with an aggregate area of 424.3477 hectares into an FTAA.

On August 13, 2013, the BOD resolved to renew MPSA No. 001-90 that will be expiring in March 2015. FSGRI joined LCMC in its application for the renewal of the MPSA without prejudice to FSGRI's pending application for conversion to FTAA. The assignment documents whereby the two (2) parties exchanged properties, with FSGRI obtaining about 304.08 hectares of the MPSA and the Parent Company getting the balance remain pending with the DENR.

The Parent Company and co-contractor FSGRI (the "Applicants") filed a joint application for the renewal (the "Application") of MPSA 001-90-CAR with the Mines and Geosciences Bureau-Cordillera Administrative Region (MGB-CAR) on June 4, 2014. In a letter dated August 20, 2014, the MGB-CAR informed the applicants that they had substantially complied with the requirements for the renewal of the said MPSA and that the Application will be indorsed to the National Commission on Indigenous Peoples (NCIP) for appropriate action. The Applicants replied that the imposition of new requirements such as the Free and Prior Informed Consent ("FPIC") or the endorsement of the Application to the NCIP impairs the contractors' vested rights under the MPSA, the Mining Act (MA) and the Constitution, including, but not limited to, the contractors' right under Section 32 of the MA to a renewal of the MPSA "under the same terms and conditions." Since, despite good faith efforts of the Applicants, the matter had remained unresolved as of mid-February 2015, a month prior to the expiry of the initial term of the MPSA, the Applicants initiated Arbitration proceedings against the Republic of the Philippines, represented by the DENR, pursuant to Sections 12.1 and 12.2 of the MPSA. Pursuant to the Republic Act (Rep. Act) No. 876, Arbitration Act, Rep. Act No. 9285, the Alternative Dispute Resolution (ADR) Act of 2004, and the Special ADR Rules, the applicants filed with the Regional Trial Court a Petition for Interim Measures of Protection whereby their prayed for the issuance of a writ of Preliminary Injunction against the DENR, MGB and the NCIP to be assured of uninterrupted operations during the pendency of the Arbitration.

In December 2015, the Applicants obtained the Arbitral Tribunal's Final Award upholding their position. Specifically, the Final Award confirmed that the FPIC and Certification Precondition requirements under the Indigenous Peoples' Rights' Act may not be validly imposed as requirements for the renewal of the MPSA, and the latter should be renewed under the same terms and conditions, without prejudice to changes mutually agreed upon by the parties. In a decision dated April 30, 2018, the Court of Appeals upheld the Final Award of the Arbitral Tribunal. The Republic of the Philippines filed a Petition for Review with the Supreme Court.

In a decision of the Supreme Court dated June 21, 2022, the Final Award was vacated without prejudice to the Parent Company's and FSGRI's full compliance with the Free and Prior Informed and Written Consent requirement of the Mankayan Indigenous Cultural Communities/Indigenous Peoples as a condition for the renewal of the MPSA No. 001-90. The Parent Company and FSGRI have accordingly applied with the NCIP for the issuance of a Certification Precondition or Certificate of Non-overlap. The FPIC process is underway.

(d) Under a memorandum of agreement entered into on October 18, 1991 by FSGRI and the Parent Company among residents of various barangays of Mankayan, Benguet, the municipal government of Mankayan, the Benguet provincial government, the DENR, FSGRI and the Parent Company (collectively as "Group"), among other things, are mandated to abide by certain commitments to the barangays as contained in the said agreement in return for the continued implementation of the Far Southeast Project. The agreement likewise provides that: (1) the implementation of the project is subject to the conditions imposed or may be imposed by the DENR specifically on certain environmental concerns; and the residents shall not hinder the implementation of the project and shall assist the Group and the DENR in the peaceful solution of conflicts relative to the Group's operations.

In April 1998, the Parent Company entered into a separate memorandum of agreement with the Office of Municipal Mayor and Sangguniang Bayan of Mankayan, DENR and MGB. Under the agreement, the Parent Company is mandated to establish and maintain a Monitoring Trust Fund and MRF amounting to ₱50 and ₱5,000, respectively. The funds are to be used for physical and social rehabilitation, reforestation and restoration of areas and communities affected by mining activities and for pollution control, slope stabilization and integrated community development. The rehabilitation fund to be maintained by the Parent Company in a mutually acceptable bank, subject to annual review of MRF committee, is payable in four equal quarterly payments of ₱1,250 up to March 1999. As at December 31, 2024 and 2023, the rehabilitation fund of ₱5,000, which does not meet the features provided under Philippine Interpretation IFRIC 5, *Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*, is presented under "Other noncurrent assets" account in the consolidated statements of financial position.

(e) The Parent Company is either a defendant or co-defendant in certain civil, labor 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's financial position as at December 31, 2024 and 2023, and results of operations for the years ended December 31, 2024, 2023 and 2022.

(f) The Parent Company filed a petition with the Panel of Arbitrators of the MGB-Cordillera Autonomous Region (CAR), Baguio City for the cancellation of the mining claims of the Gaffneys after discovering that the Gaffneys' 6 patentable mining claims were floating claims in violation of Section (Sec.) 28 of the Philippine Bill of 1902, hence void ab initio. However, the Panel of Arbitrators, relying on a 1991 decision of the 1st Division of the Supreme Court (SC) ("Poe Mining Association vs. Garcia", 202 SCRA 222) which has already been discarded and overruled by the SC En Banc in the 1997 case "Itogon-Suyoc Mines, Inc. vs. DENR Secretary, et al." (which states that "the requirement that a mining claim must have valid tie points, i.e., must be described with reference to a permanent object, cannot be dispensed with and non-compliance therewith renders the mining claims null and void) erroneously sustained the validity of the mining claims of the Gaffneys. The Panel further entertained the monetary counterclaim of the Gaffneys and awarded them damages notwithstanding that it has no jurisdiction whatsoever over money claims. This is clear in Sec. 77 of the Philippine Mining Act and in the case of "Jorge Gonzales and the Panel of Arbitrators vs. Climax Arimco Mining Corp., et al.", G.R. No. 161957, where the SC, reiterating its ruling in "Philex Mining Corp. vs. Zaldivia", 150 PHIL 547 (1972), stated that contractual violations such as fraud, misrepresentation, non-payment of royalties, compensation, validity of contracts and the like, are judicial questions that only the courts, not the Panel of Arbitrators, could hear and decide. The Parent Company appealed this ruling to the Mines Adjudication Board which affirmed the decision of the Panel of Arbitrators in June 2011 but ordered the MGB Central Offices to review and determine the reasonable amounts of monetary awards to which the Gaffneys are entitled. Both parties filed motions for reconsideration. Acting on the said motions, the MAB affirmed its decision in respect of the validity of the mining claims, but reversed itself on the monetary awards, stating that monetary claims can only be determined through a competent court. Both parties appealed, the Parent Company in respect of the validity of the Gaffneys' mining claims and the Gaffneys in respect of the jurisdiction of the Panel of Arbitrators over their monetary claims. The Gaffneys' appeal was dismissed by the Court of Appeals and they have filed a motion for reconsideration. The Parent Company's appeal was granted by the Court of Appeals in a decision dated August 26, 2015, declaring as null and void the mining claims of the Gaffneys. This decision was affirmed by the Supreme Court and became final and executory on July 5, 2016.

(g) The Parent Company leases a warehouse in Bulacan effective until March 2026, as well as a parcel of land in Isabel, Leyte where its roasting plant is located. The lease agreement for the roasting plant is effective until March 2024. It was renewed for a lease term of two years starting February 28, 2024 to March 1, 2026. FSGRI has lease contracts for office space and buildings. Leases of the properties have lease terms of three (3) years.

The following amounts recognized in statement of comprehensive income:

	2024	2023
Depreciation expense of right-of-use assets included in property, plant and equipment	**₱3,752**	₱7,801
Interest expense on lease liabilities	**290**	551
Expenses relating to short-term leases (included in cost of sales)	**60**	1,389
Expenses relating to short-term leases (included in operating expenses)	**3,807**	4,132
	₱7,909	₱13,873

The roll forward analysis of lease liabilities follows:

	2024	2023
At January 1	**₱1,940**	₱10,049
Addition	**4,773**	–
Interest expense	**290**	551
Payments of:		
Principal portion	**(290)**	(8,109)
Interest	**(3,837)**	(551)
As at December 31	**2,876**	1,940
Current portion of lease liabilities	**2,449**	1,940
Noncurrent portion of lease liabilities	**₱427**	₱ –

Interest expense amounting to ₱26 and ₱261 were capitalized as part of mine exploration costs in 2024 and 2023, respectively.

Shown below is the maturity analysis of the undiscounted lease payments for the period ended December 31, 2024:

	2024	2023
Within one year	**₱2,590**	**₱1,969**
More than one year to two years	**432**	–

The Parent Company leases out some of its properties which include land, a warehouse, guesthouses and other facilities to various entities. Rental income for 2024, 2023 and 2022 amounted to ₱2,265, ₱467 and ₱1,770, respectively (see Note 29). Lease term of the rent agreements are valid for one year and are renewable at the discretion of both the contracting parties.

(h) As at December 31, 2024 and 2023, the Parent Company has no unused credit lines with various banks. These facilities can be availed of through short-term and long-term loans, opening of import letters of credit and outright purchase of negotiable bills.

(i) In an execution sale held on December 12, 2001, DDCP acquired a 40% interest in the Guinaoang Project of Crescent Mining and Development Corporation (Crescent) which is covered by MPSA No. 057-096-CAR. The execution sale was done in connection with the case filed by DDCP before the RTC-Makati City against Pacific Falcon Resources Corporation (Pacific Falcon) for the payment of drilling services rendered at the Guinaoang Project amounting to US$307,187. Per records of the MGB and the Joint Venture Agreement between Crescent and Pacific Falcon (formerly known as Trans Asian Resources Ltd.), Pacific Falcon has a 40% interest in the subject MPSA. DDCP had the pertinent certificate of sale registered with the MGB and requested the MGB for approval of the transfer to DDCP of Pacific Falcon's 40% interest in MPSA No. 057-096-CAR. The MGB having refused to effect, such transfer DDCP, filed a motion with the RTC of Makati praying that an Order be issued directing the MGB and the DENR to amend the MPSA of Crescent to reflect DDCP's 40% interest therein, which the RTC granted, subject to the pertinent provisions of mining law and its Implementing Rules and Regulations ("IRR"). The DENR filed a petition for review of the said Order with the Court of Appeals but the same was dismissed for lack of merit. On the other hand, Crescent filed a Petition for Review with the Court of Appeals, claiming that the Decision of the RTC dated 23 April 2001 could no longer be executed because it was barred by prescription. The CA granted the petition. DDCP elevated the matter to the Supreme Court but its petition was dismissed.

(j) Reclassification adjustments

There were some reclassifications made in December 31, 2023 balances to facilitate proper classification and conform to the December 31, 2024 consolidated financial statements presentation.

31. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and interest-bearing borrowings. The main purpose of the Group's financial instruments is to fund the Group's operations. The Group has other financial instruments such as receivables, AFS financial assets and trade and other 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 refers to the potential loss arising from any failure by counterparties to fulfill their obligations, as and when they fall due. It is inherent to the business as potential losses may arise due to the failure of its customers and counterparties to fulfill their obligations on maturity dates or due to adverse market conditions.

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 agreements for these financial assets.

Credit Risk Exposure
With respect to credit risk arising from cash, trade and other receivables, and MRFs and under "Other noncurrent assets", the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The table below shows the gross maximum exposure to credit risk without consideration to collaterals 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 (Note 4)	**₱59,581**	₱68,298
Trade receivables (Note 5)	**27,296**	28,238
Nontrade receivables (Note 5)	**28,412**	31,720
MRFs under "Other noncurrent assets"	**4,554**	2,774
	₱119,843	₱131,030

As at December 31, 2024 and 2023, these financial assets, except receivables where allowance for ECL were recognized, are neither past due nor impaired.

Cash in banks, Trade receivables not subject to provisional pricing, Nontrade and other receivables, and MRFs under "Other noncurrent assets"
In determining the credit risk exposure for cash in banks, and MRFs under "Other noncurrent asset, the Group has established probability of default rates based on available credit ratings published by third-party credit rating agencies. The credit ratings already considered the forward-looking information. When a counterparty does not have published credit ratings, the Group benchmarks the credit ratings of comparable companies, adjusted to account for the difference in size and other relevant metrics. While cash in banks and short-term cash investments are also subject to the impairment requirements of PFRS 9, the identified impairment loss was immaterial.

	2024				
	General Approach				
	Stage 1	**Stage 2**	**Stage 3**	**Simplified Approach**	**Total**
Cash in banks	**₱59,581**	**₱–**	**₱–**	**₱–**	**₱59,581**
Trade receivables (not subject to provisional pricing)	**–**	**–**	**–**	**10,526**	**10,526**
Nontrade and other receivables	**40,810**	**–**	**–**	**–**	**40,810**
MRFs under "Other noncurrent assets"	**4,544**	**–**	**–**	**–**	**4,544**
	₱104,935	**₱–**	**–**	**₱10,526**	**₱115,461**

	2023				
	General Approach				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
Cash in banks	₱68,298	₱–	₱–	₱–	₱68,298
Trade receivables (not subject to provisional pricing)	–	–	–	25,614	25,614
Nontrade and other receivables	26,718	–	386	–	27,104
MRFs under "Other noncurrent assets"	2,774	–	–	–	2,774
	₱97,790	₱–	₱386	₱25,614	₱123,790

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 Group is under Stage 3 and is fully provided with ECL.

Simplified Approach
Se out below is the information about the credit risk exposure to the Group's trade receivables (not subject to provisional pricing) using simplified approach (provisional matrix).

		Days past due				
	Current	**< 30 days**	**31-60 days**	**61-90 days**	**>91 days**	**Total**
2024						
ECL rate	**0%**	**0%**	**0%**	**0%**	**100%**	
Estimated total gross carrying amount at default	**₱1,579**	**₱526**	**₱316**	**₱842**	**₱7,263**	**₱10,526**
ECL	**₱–**	**₱–**	**₱–**	**₱–**	**₱7,263**	**₱7,263**

		Days past due				
	Current	< 30 days	31-60 days	61-90 days	>91 days	Total
2023						
ECL rate	0%	0%	0%	0%	100%	
Estimated total gross carrying amount at default	₱5,249	₱127	₱39	₱380	₱19,819	₱25,614
ECL	₱–	₱–	₱–	₱–	₱19,819	₱19,819

Trade receivables (subject to provisional pricing)
All gold exports when priced are practically settled on cash basis. Parent Company's existing contracts with gold refineries allow for advances up to 98% of payable metals paid in two working days from pricing. Full settlement is normally received within three working days. For copper concentrates, Parent Company's existing contracts with smelters allow for advances of 95% of payable metals paid within two to five working days from pricing. Full settlement, however, takes three to six months.

The Parent Company enters into marketing contracts only with refineries and smelters of established international repute. Since the Parent Company became a primary gold and copper concentrates producer, it has entered into exclusive refining agreement with Heraeus for gold and Open Mineral AG for gold-copper concentrates.

The Group has a significant concentration of credit risk in relation to its trade receivables from Heraeus Ltd. pertaining to sales of bullion. Such risk is managed by securing the specific approval of the BOD before entering into contracts with refineries and by assessing the creditworthiness of such refineries.

As at December 31, 2024 and 2023, the Group's trade receivables subject to provisional pricing amounted to ₱1,508 and ₱500, respectively.

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 foreign currency exchange rates.

Foreign Exchange Risk

Foreign exchange risk is the risk to earnings or capital arising from changes in foreign exchange rates. The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its consolidated financial statements and consolidated statements of cash flows.

The Group follows a policy to manage its currency risk by closely monitoring its cash flow position and by providing forecast on all other exposures in non-Philippine Peso currencies.

The Group sells its product to the interstates national market. All metal sales are denominated in US$. Dollar conversion of metal sales to Philippine Peso is based on the prevailing exchange rate at the time of sale.

The Group's US$ denominated monetary assets and liabilities as at December 31, 2024 and 2023 follow:

	2024		2023	
	Original Currency	**Peso Equivalent**	Original Currency	Peso Equivalent
Assets				
Cash	**US$122**	**₱7,058**	US$89	₱4,901
Trade receivables	**168**	**9,719**	168	9,301
	US$290	**₱16,777**	US$257	₱14,202
Liabilities				
Trade payables and accrued expenses	**US$655**	**₱37,892**	US$655	₱36,293
Borrowings	**1,000**	**57,850**	1,000	55,370
	US$1,655	**₱95,742**	US$1,655	₱91,663
Net assets (liabilities)	**(US$1,365)**	**(₱78,965)**	(US$1,399)	(₱77,461)

As at December 31, 2024 and 2023, the exchange rate of the Philippine Peso to the US$ is ₱57.85 and ₱55.37, respectively to US$1.

The sensitivity to a reasonably possible change in the US$ exchange rate, with all other variables held constant, of the Group’s income before income tax as of December 31, 2024 and 2023 is as follows:

	2024		2023	
Currency	**Change in foreign exchange rate**	**Sensitivity of Pretax Income**	Change in foreign exchange rate	Sensitivity of Pretax Income
US$	**(₱1.16)**	**6,188**	(₱0.93)	1,301
	₱1.06	**(6,771)**	₱0.63	(881)

There is no other impact on the Group’s equity other than those already affecting the consolidated profit or loss.

Liquidity Risk

Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet maturing obligations from financial instruments or that a market for derivatives may not exist in some circumstances.

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 availment of 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.

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

2024	**On demand**	**Less than three months**	**Three to six months**	**More than six to 12 months**	**More than one to two years**	**More than two years**	**Total**
Financial Assets:							
Cash on hand (Note 4)	**₱2,532**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱2,532**
Cash in banks (Note 4)	**59,581**	**–**	**–**	**–**	**–**	**–**	**59,581**
Trade receivables (Note 5)	**1,299**	**39**	**25,957**	**–**	**–**	**–**	**27,296**
MRF	**–**	**–**	**–**	**–**	**–**	**4,554**	**4,554**
Nontrade receivables (Note 5)	**40,810**	**10,128**	**–**	**–**	**–**	**–**	**50,938**
Financial assets designated at FVOCI (Note 10)	**78,114**	**–**	**–**	**–**	**–**	**–**	**78,114**
Total	**182,336**	**10,167**	**25,957**	**–**	**–**	**4,554**	**223,005**
Financial Liabilities:							
Trade and other payables (Note 13)*	**(690,680)**	**(552,544)**	**(138,136)**	**(50,687)**	**(966,952)**	**(363,7211)**	**(3,545,344)**
Borrowings (Note 14)	**–**	**(9,786)**	**(9,957)**	**(9,852)**	**(40,977)**	**(166,596)**	**(237,168)**
Lease liabilities							
Carrying amount	**–**	**(2,876)**	**–**	**–**	**–**	**–**	**(2,876)**
Unamortized discount	**–**	**(28)**	**–**	**–**	**–**	**–**	**(28)**
Total	**(690,680)**	**(565,234**	**(148,093**	**(60,539)**	**(1,007,929)**	**(530,317)**	**((3,002,792)**
	(₱508,344)	**(₱555,067)**	**(₱122,135)**	**(₱60,539)**	**(₱1,007,929)**	**(₱525,772**	**(₱2,779,787)**

Excluding payable to regulatory authorities

2023	On demand	Less than three months	Three to six months	More than six to 12 months	More than one to two years	More than two years	Total
Financial Assets:							
Cash on hand (Note 4)	₱6,542	₱–	₱–	₱–	₱–	₱–	₱6,542
Cash in banks (Note 4)	68,298	–	–	–	–	–	68,298
Trade receivables (Note 5)	27,091	39	1,108	–	–	–	28,238
MRF	–	–	–	–	–	2,774	2,774
Nontrade receivables (Note 5)	16,976	10,128	–	–	–	–	27,104
Financial assets designated at FVOCI (Note 10)	66,046	–	–	–	–	–	66,046
Total	184,953	10,167	1,108	–	–	2,774	199,002
Financial Liabilities:							
Trade and other payables (Note 13)*	(111,912)	(218,809)	(221,579)	(52,991)	(1,784,238)	(464,891)	(2,854,420)
Borrowings (Note 14)	–	(9,786)	(9,957)	(9,852)	(40,977)	(166,596)	(237,168)
Lease liabilities							
Carrying amount	₱–	(₱1,940)	₱–	₱–	₱–	₱–	(₱1,940)
Unamortized discount	–	(28)	–	–	–	–	(28)
Total	(111,912)	(230,563)	(231,536)	(62,843)	(1,825,215)	(631,487)	(3,093,556)
	₱65,041	(₱220,396)	(₱230,428)	(₱62,843)	(₱1,825,215)	(₱631,487)	((₱2,894,554)

**Excluding payable to regulatory authorities*

The group plans to address its liquidity gap by a combination of issuance of equity securities, availment of advances from related parties or loans from banks.

Fair Values

PFRS 13 defines fair value as 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 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.

Cash in Banks, Trade Receivables, Nontrade Receivables and Trade and Other Payables

The carrying amounts of cash in banks, trade receivables, nontrade receivables and trade and other 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 financial assets designated at FVOCI quoted equity securities are based on quoted prices published in markets. Fair values of financial assets designated at FVOCI unquoted equity securities are based on the latest selling price available.

Borrowings

The outstanding short-term borrowings and long-term borrowings as at December 31, 2024 and 2023 bear floating rates that are repriced monthly and quarterly.

The fair value of the interest-bearing long-term debt in 2023 and 2022 is based on the discounted value of future cash flows using the applicable rates for the similar types of loans.

The Group uses the following hierarchy for determining and disclosing the fair value by valuation technique:

- Quoted prices in active markets for identical asset or liability (Level 1);
- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Those inputs for asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value hierarchy of the financial assets and liabilities as at December 31 of each year is presented as follows:

2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets designated at FVOCI	**₱–**	**₱74,218**	**₱3,896**	**₱78,114**
Borrowings	–	–	**(172,192)**	**(172,192)**
	₱–	**₱74,218**	**(₱168,296)**	**(₱94,078)**

2023	Level 1	Level 2	Level 3	Total
Financial assets designated at FVOCI	₱–	₱62,150	₱3,896	₱66,046
Borrowings	–	–	(237,168)	(237,168)
	₱–	₱62,150	(₱233,272)	(₱171,122)

There were no transfers between levels of fair value measurement as at December 31, 2024 and 2023.

32. Capital Management

The primary objective of the Group's capital management is to ensure that the Group maintains positive cash balance in order to support their businesses, 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 during the year ended December 31, 2024 and 2023. The Group monitors capital using the consolidated financial statements. The Group has complied with all externally imposed capital requirements in 2023 and 2022.

As at December 31, 2024 and 2023, the Group's capital, which is composed of common shares and additional paid-in capital, amounted to ₱11,712,718.

33. Segment Information

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group derives revenue from the following main operating business segments:

Mining Activities
This segment engages in exploration and mining of gold, silver, copper, lead, zinc and all kinds of ores, metals, minerals, oil, gas and coal and their related by-products. Revenue from sale of metals - bullion represent sale from one customer, Heraeus. Revenue from sale of metals - concentrate are significantly from IXM S.A. and Cliveden in 2020, with each approximating half of total concentrate revenues, and from Open Mineral AG in 2021.

Service
This segment derives its income from drilling, hauling and sawmilling services to its related and outside parties.

Others
This segment is engaged in the trading, manufacturing, investing and insurance broker activities of the Group.

Transfer prices between business segments are set on an arm's-length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated in consolidation.

The Group operates and generates revenue principally in the Philippines. Thus, geographical segmentation is not required.

The following tables present certain information regarding the Group's operating business segments:

2024	**Mining**	**Service**	**Others**	**Elimination**	**Consolidated**
Revenue from external customers:					
Sale of metals – net	**₱2,781,674**	**₱–**	**₱–**	**₱–**	**₱2,781,674**
Others	**9,847**	**–**	**8,443**	**–**	**18,290**
Inter-segment revenue	**1,795**	**91,159**	**19,908**	**(112,862)**	**–**
Segment revenue	**2,793,316**	**91,159**	**28,351**	**(112,862)**	**2,799,964**
Cost and operating expenses	**(2,621,605)**	**(84,414)**	**(23,405)**	**112,093**	**(2,617,331)**
Share in operating results of associates	**–**	**–**	**–**	**(2,613)**	**(2,613)**
Income (loss) before income tax	**171,711**	**6,745**	**4,946**	**(3,382)**	**180,020**
Finance cost, net of other income	**(54,395)**	**3,249**	**(15)**	**(844)**	**(52,005)**
Provision for (benefit from) income tax	**(20,864)**	**(4,181)**	**(315)**	**–**	**(25,360)**
Net income (loss)	**₱96,452**	**₱5,814**	**₱4,616**	**(₱4,226)**	**102,656**
Segment assets	**₱15,787,467**	**₱138,420**	**₱665,583**	**(₱775,053)**	**₱15,816,417**
Investments in and advances to associates	**958,579**	**–**	**2,487**	**(525,305)**	**435,761**
Segment liabilities	**(10,963,273)**	**(90,142)**	**(154,823)**	**258,255**	**(10,949,983)**
Depreciation	**480,678**	**3,996**	**2,230**	**–**	**486,904**
Capital expenditures:					
Tangible fixed assets	**5,717,591**	**3,437**	**354,367**	**50,076**	**6,125,471**
Intangible assets	**852**	**–**	**–**	**–**	**852**
(Forward)					
Cash flows arising from (used in):					
Operating activities	**443,066**	**(7,865)**	**4,719**	**(2,520)**	**437,400**
Investing activities	**(444,547)**	**(1,570)**	**(1,701)**	**(68,380)**	**(516,198)**
Financing activities	**30,567**	**(859)**	**(5,880)**	**41,222**	**66,768**

2023	Mining	Service	Others	Elimination	Consolidated
Revenue from external customers:					
Sale of metals – net	₱2,474,384	₱–	₱–	₱–	₱2,474,384
Others	4,224	–	10,093	–	14,317
Inter-segment revenue	2,696	68,052	17,267	(88,015)	–
Segment revenue	2,481,304	68,052	27,360	(88,015)	2,488,701
Cost and operating expenses	(2,492,435)	(44,303)	(28,782)	86,317	(2,479,203)
Share in operating results of associates	–	–	–	(1,511)	(1,511)
Income (loss) before income tax	(11,131)	23,749	(1,422)	(3,209)	7,987
Finance cost, net of other income	(71,262)	(3,972)	(639)	(815)	(76,688)
Provision for (benefit from) income tax	(30,637)	(7,490)	(674)	–	(38,801)
Net income (loss)	(₱113,030)	₱12,287	(₱2,735)	(₱4,024)	(₱107,502)
Segment assets	₱15,693,711	₱180,009	₱640,992	(₱832,497)	₱15,682,215
Investments in and advances to associates	970,948	–	2,684	(522,605)	451,027
Segment liabilities	(10,722,362)	(140,379)	(143,374)	322,125	(10,683,990)
Depreciation	480,678	3,996	2,230	–	486,904
Capital expenditures:					
Tangible fixed assets	5,691,835	4,798	355,324	50,076	6,102,033
Intangible assets	1,038	–	–	–	1,038
Cash flows arising from (used in):					
Operating activities	443,066	(7,865)	(151)	41,957	477,007
Investing activities	(444,547)	(1,570)	–	(54,557)	(500,674)
Financing activities	30,567	(859)	(5,880)	19,593	45,139

2022	Mining	Service	Others	Elimination	Consolidated
Revenue from external customers:					
Sale of metals – net	₱1,845,867	₱–	₱–	₱–	₱1,845,867
Others	5,105	–	7,314	–	12,419
Inter-segment revenue	2,475	63,908	15,802	(82,185)	–
Segment revenue	1,853,447	63,908	23,116	(82,185)	1,858,286
Cost and operating expenses	(2,296,690)	(69,382)	(27,922)	82,782	(2,311,212)
Share in operating results of associates	–	–	–	(2,759)	(2,759)
Income (loss) before income tax	(443,243)	(5,474)	(4,806)	(2,162)	(455,685)
Finance cost, net of other income	(38,213)	1,268	16,936	(11,294)	(31,303)
Provision for (benefit from) income tax	(2,678)	(5,399)	258	–	(7,819)
Net income (loss)	(₱484,134)	(₱9,605)	₱12,388	(₱13,455)	(₱494,807)
Segment assets	₱15,708,661	₱228,931	₱630,369	(₱858,049)	₱15,767,881
Investments in and advances to associates	970,384	–	2,767	(520,778)	452,373
Segment liabilities	(10,605,277)	(201,587)	(144,755)	351,455	(10,658,128)
Depreciation	461,904	11,271	4,464	–	477,639
Capital expenditures:					
Tangible fixed assets	5,881,880	7,218	354,243	50,076	6,298,442
Intangible assets	657	–	–	–	657
Cash flows arising from (used in):					
Operating activities	459,743	3,610	(29,129)	(151,225)	282,999
Investing activities	(459,803)	(3,061)	41,295	142,196	(279,373)
Financing activities	6,107	(414)	(642)	8,655	13,706

SGV
Building a better working world

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

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

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and Board of Directors
Lepanto Consolidated Mining Company
21st Floor, Lepanto Building
Paseo de Roxas, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Lepanto Consolidated Mining Company and Subsidiaries (the Group) as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated April 29, 2025. Our audits were made for the purpose of forming an opinion on the 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 consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

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

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Lepanto Consolidated Mining Company
21st Floor, Lepanto Building
Paseo de Roxas, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Lepanto Consolidated Mining Company and Subsidiaries (the Group) as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated April 29, 2025. Our audits were made for the purpose of forming an opinion on the 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 financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

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

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
As of December 31, 2024

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES
21st Floor, Lepanto Building, Paseo de Roxas, Makati City

	Formula	2024	2023
Profitability Ratios:			
Return on assets	Net Loss / Total Assets	**0.65%**	(0.69%)
Return on equity	Net Loss / Total Equity	**2.11%**	(2.15%)
Gross profit margin	Gross Profit / Net Revenues	**16.10%**	11.59%
Net profit margin	Net Loss / Revenues	**3.66%**	(4.32%)
Liquidity and Solvency Ratios:			
Current ratio	Current Assets / Current Liabilities	**0.42:1**	0.41:1
Quick ratio	Current Assets – Inventories – Advances to Suppliers and Contractors - Other Current Assets / Current Liabilities	**0.08:1**	0.06:1
Solvency ratio	Net Loss / Total Liabilities	**0.01:1**	(0.01:1)
Financial Leverage Ratios:			
Asset to equity ratio	Total Assets / Total Equity	**3.25**	3.14
Debt to equity ratio	Total Liabilities / Total Equity	**2.25**	2.14
Interest coverage ratio	Earnings Before Interest and Taxes (EBIT) / Finance Costs	**(0.72)**	1.96

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES
INDEX TO THE SUPPLEMENTARY SCHEDULES

Annex I: Reconciliation of Retained Earnings Available for Dividend Declaration

Annex II: Map of the Relationships of the Companies Within the Group

Annex III: Supplementary Schedules Required by Annex 68-J

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock

SCHEDULE I
RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
As of December 31, 2024
(Amounts in thousands)

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES
21st Floor, Lepanto Building, Paseo de Roxas, Makati City

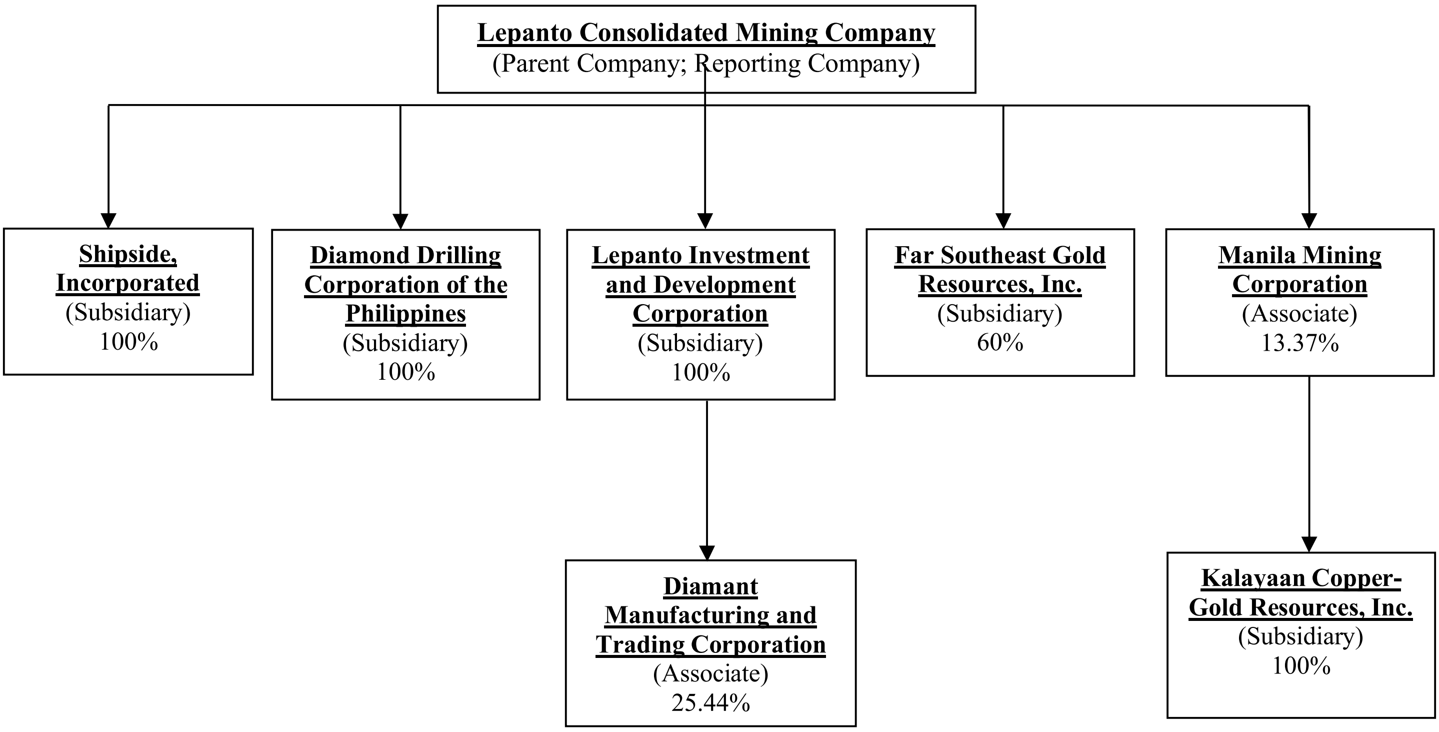
Unappropriated Retained Earnings, *beginning of reporting period*		(₱7,649,507)
Add: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	–	
Effect of restatements or prior-period adjustments	–	
Others	–	
Subtotal		–
Less: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period		
Retained Earnings appropriated during the reporting period	–	
Effect of restatements or prior-period adjustments	–	
Fair value adjustment on FVOCI	–	
Subtotal		–
Unappropriated Retained Earnings, *beginning as adjusted*		(7,649,507)
Add: Net income for the current year	102,656	
Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture	–	
Unrealized foreign exchange gain - net (except those	–	
attributable to cash and cash equivalents)	–	
Fair value adjustment (mark-to-market gains)	–	
Fair value adjustment of investment property resulting to gain	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	–	
Subtotal		–
Add: **Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)**		
Unrealized foreign exchange gain - net (except those	–	
attributable to cash and cash equivalents)	–	
Fair value adjustment (mark-to-market gains)	–	
Fair value adjustment of investment property resulting to gain	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	–	
Subtotal		–
Adjusted Net Income		102,656

Add/Less: **Non-actual losses recognized in profit or loss during the reporting period (net of tax)**		
Depreciation on revaluation increment (after tax)	–	
Subtotal		–
Add/Less: **Adjustments related to relief granted by the SEC and BSP**		
Amortization of the effect of reporting relief	–	
Total amount of reporting relief granted during the year	–	
Others	–	
Sub-total		–
Less: **Other items that should be excluded from the determination of the amount of available for dividends distribution**		
Treasury shares (except for reacquisition of redeemable shares)	–	
Deferred tax assets not considered in the reconciling items under the previous categories	–	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction	–	
Adjustments due to deviation from PFRS/GAAP – gain(loss)	–	
Others	–	
Subtotal		–
TOTAL RETAINED EARNINGS, END AVAILABLE FOR DIVIDEND DECLARATION		₱–

†*Amount is zero since the reconciliation results to a deficit*

SCHEDULE II
MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP
As of December 31, 2024

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES
21st Floor, Lepanto Building, Paseo de Roxas, Makati City



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

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES
21st 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 amounts of bonds and notes	Amounts shown in the Statement of Financial Position (figures in thousands)	Income received and accrued
Financial asset designated at FVOCI:			
Manila Mining Corporation	104,695,012	₱–	₱–
Philippine Associated Smelting & Refining Corp.	37,407,798	–	–
Filsyn Corporation	4,545,034	–	–
Manila Peninsula Hotel	1,304,632	3,740	–
Lepanto Consolidated Mining Company	1,024,952	–	
Philippine Fire and Marine Insurance Corp.	330,613	–	–
Crown Fruits	20,000	–	–
Alabang Country Club Inc.	1	14,912	–
Canlubang Golf & Country Club Inc.	1	7,000	–
Club Filipino	1	300	–
Makati (Sports) Club Inc.	1	1,600	–
Manila Polo Club	1	50,000	–
PHILAM Properties Corp.	1	–	–

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

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES
21st Floor, Lepanto Building, Paseo de Roxas, Makati City

`SCHEDULE B: AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

Name and Designation of Debtor	Balance at Beginning period	Additions	Amounts Collected	Amounts Written off	Current	Not Current	Balance at end of period

NOT APPLICABLE

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

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES
21st Floor, Lepanto Building, Paseo de Roxas, Makati City

SCHEDULE C: AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATED FINANCIAL STATEMENTS

Name and Designation of Debtor	Balance at Beginning of period	Additions	Amounts Collected / Settled	Current	Not Current	Balance at end period
DDCP	₱77,883,662	₱–	₱75,109,011	₱2,774,651	₱–	₱2,774,651
FSGRI	91,448,232	1,958,293	–	93,406,525	–	93,406,525
LIDC	6,403,260	13,980,326	–	20,383,586	–	20,383,586

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

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES
21st Floor, Lepanto Building, Paseo de Roxas, Makati City

SCHEDULE D: LONG TERM DEBT

Title of Issue and type of obligation	Amount authorized by Indenture	Amount shown under the caption "Current Portion of long-term borrowings" in related balance sheet	Amount shown under the caption "Long-term borrowings- net of current portion" in related balance sheet
Statham Capital Corporation - *Gold Delivery Agreement*	US$1,000,000	₱–	₱57,845,000
UCPB Peso Loan	₱181,239,089	₱18,773,522	₱95,015,556
AUB Peso Loan	₱558,483	₱441,600	₱116,883

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

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES
21st Floor, Lepanto Building, Paseo de Roxas, Makati City

SCHEDULE E: INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)

Name of Related Party	Balance at beginning of period	Balance at end of period

NOT APPLICABLE

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

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES
21st Floor, Lepanto Building, Paseo de Roxas, Makati City

SCHEDULE F: GUARANTEES OF SECURITIES OF OTHER ISSUES

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owed by person for which statement is filed	Nature of guarantee

NOT APPLICABLE

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

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES
21st Floor, Lepanto Building, Paseo de Roxas, Makati City

SCHEDULE G: CAPITAL STOCK

The Parent Company's authorized share capital is ₱6.64 billion divided into 66.4 billion shares at ₱0.10 par value each, consisting of 39.8 billion Class "A" and 26.6 billion Class "B" common shares. As at December 31, 2024, total shares issued and outstanding is 66,375,758 held by 27,684 shareholders.

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversions and other rights	No. of shares held by		
				Related parties	Directors and Officers	Others
Common Stock						
Class A	39,840,000,000	39,821,417,656	–	30,920	1,322,312,547	38,499,074,189
Class B	26,560,000,000	26,552,508,993	–	783,523	241,828,695	26,309,896,775

LEPANTO CONSOLIDATED MINING COMPANY
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
December 31, 2024

	Current Year	**Prior Year**
Total Audit Fees (*Section 2.1a*)	**₱4,005,000**	**₱3,960,000**
Non-audit services fees:		
Other assurance services	–	–
Tax services	–	–
All other services	–	–
Total Non-audit Fees (*Section 2.1b*)	**–**	**–**
Total Audit and Non-audit Fees	**₱4,005,000**	**₱3,960,000**

Audit and Non-audit fees of other related entities (*Section 2.1c*)

	Current Year	Prior Year
Audit Fees	₱–	₱–
Non-audit services fees:		
Other assurance services	–	–
Tax services	–	–
All other services	–	–
Total Audit and Non-audit Fees of other related entities	₱–	₱–