COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES

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

Five E-Com Center, Palm Coast Avenue corner Pacific Drive, Mall of Asia Complex, Pasay City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AACFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
atlas1@atlasmining.com.ph	(632) 8403-0818	09178048194

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
20,655	04/25	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
Elmer B. Serrano	elmer.serrano@serranolawph.com	(632) 8651-7408	N/A

CONTACT PERSON's ADDRESS

U-10th Floor Six/NEO, 5th Avenue corner 26th Street, Bonifacio Global City, Taguig City, Philippines

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.*

ATLAS Mining

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of Atlas Consolidated Mining and Development Corporation and Subsidiaries is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of 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.

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

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

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Group 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.

Frederic C. DyBuncio
Chairman of the Board

Adrian Paulino S. Ramos
President and Chief Executive Officer

Ma. Lorina E. Canillo
OIC – Vice President for Finance / Chief Finance Officer

Atlas Consolidated Mining
And Development Corporation
Unit 503, 5F Five E-com Center
Pacific Tower, Mall of Asia, Pasay City 1300 PH
Tel +632 8 403 0813
www.atlasmining.com.ph

ATLAS Mining

SUBSCRIBED AND SWORN to before me, this 1st day of April 2026 at Toledo City, Cebu, affiants with Tax Identification Numbers as follows:

Name	Tax Identification Number
Frederic C. DyBuncio	103-192-854-000
Adrian Paulino S. Ramos	188-355-989-000
Ma. Lorina E. Canillo	297-759-854-000

ATTY. JOANNA RHEA A. ALFORQUE
Roll of Atty's No. 76206
Notary Public
City of Toledo and Province of Cebu
Specifically for Municipalities of Balamban, Asturias, Tuburan, Pinamungajan & Aloguinsan
Until December 31, 2026/Not.Com. No. 159-2025-T
Don Andres Soriano, Toledo City, Cebu
IBP OR No.INV591168/January 7, 2026/Cebu City Chapter
PTR No. 4176777/January 7, 2026
MCLE Exemption No. VII-BEP003524/Valid until April 14, 2028

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Atlas Consolidated Mining
And Development Corporation
Unit 503, 5F Five E-com Center
Pacific Tower, Mall of Asia, Pasay City 1300 PH
Tel +632 8 403 0813
www.atlasmining.com.ph

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
Atlas Consolidated Mining and Development Corporation
Five E-com Center, Palm Coast Avenue corner Pacific Drive
Mall of Asia Complex (1300), Pasay City

Opinion

We have audited the consolidated financial statements of Atlas Consolidated Mining and Development Corporation and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, 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, 2025, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2025 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

Impairment Testing of Goodwill, Mining Rights, and Property, Plant and Equipment

Under PFRS Accounting Standards, the Group is required to annually test the amount of goodwill for impairment. In addition, in the event that an impairment indicator is identified, the Group tests the recoverability of mining rights, and property, plant and equipment. As of December 31, 2025, the Group has goodwill attributable to Carmen Copper Corporation amounting to ₱19.01 billion, and mining rights, and property, plant and equipment amounting to ₱6.03 billion and ₱31.17 billion, respectively, which are considered significant to the consolidated financial statements. The assessment of the recoverable amount of goodwill, mining rights, and property, plant and equipment requires significant judgment and involves estimation and assumptions about the expected life of the project, future production levels and costs, contributions to the government based on current regulations as well as external inputs such as copper and gold prices, and discount rate. Hence, such assessment is a key audit matter in our audit.

The disclosures in relation to property, plant and equipment, and mining rights, and goodwill are included in Notes 9 and 10 to the consolidated financial statements, respectively.

Audit Response

We obtained an understanding of the management's process for evaluating the impairment of goodwill, mining rights, and property, plant and equipment. We involved our internal specialist in evaluating the methodology and the assumptions used. These assumptions include the expected life of the project, future production levels and costs, contributions to the government based on current regulations as well as external inputs such as copper and gold prices, and discount rate. We compared the key assumptions used against the mine life based on the mineral reserve report, production reports, current tax laws, and forecasted copper and gold prices. We tested the parameters used in the determination of the discount rate against market data. We assessed the historical accuracy of management's estimates and performed sensitivity analyses of the significant assumptions to evaluate the change in the fair value of the cash generating unit. 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 goodwill, mining rights, and property, plant and equipment.

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the 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 and 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
SEC Partner Accreditation No. 100794-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-097-2023, September 12, 2023, valid until September 11, 2026
PTR No. 10765063, January 2, 2026, Makati City

March 9, 2026

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands, Except Number of Shares)

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱1,021,485**	₱2,260,587
Short-term investments (Note 4)	**1,593,507**	–
Trade and other receivables (Note 5)		
At fair value through profit or loss	**798,746**	265,344
At amortized cost – net	**64,446**	58,396
Derivative assets (Note 6)	**–**	87,620
Inventories (Note 7)	**991,596**	1,053,523
Other current assets (Note 8)	**2,437,921**	2,202,162
Total Current Assets	**6,907,701**	5,927,632
Non-current Assets		
Property, plant and equipment (Note 9)		
At cost	**31,173,363**	32,929,902
At revalued amount	**1,377,436**	1,376,962
Mining rights (Note 10)	**6,031,297**	6,324,383
Goodwill (Note 10)	**19,026,119**	19,026,119
Deferred mine exploration costs (Note 11)	**203,255**	200,257
Investments in associates (Note 12)	**222,000**	267,185
Deferred tax assets – net (Note 26)	**993,388**	936,388
Other non-current assets (Note 13)	**2,438,266**	2,870,458
Total Non-current Assets	**61,465,124**	63,931,654
TOTAL ASSETS	**₱68,372,825**	₱69,859,286
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities (Note 14)	**₱2,775,606**	₱3,814,431
Current portion of lease liability (Note 15)	**998**	2,152
Current portion of long-term debts (Note 16)	**16,156,194**	1,295,728
Derivative liabilities (Note 6)	**84,224**	–
Income tax payable	**301,387**	–
Total Current Liabilities	**19,318,409**	5,112,311
Non-current Liabilities		
Long-term debts, net of current portion (Note 16)	**–**	15,882,280
Retirement benefits liability (Note 25)	**566,859**	568,385
Lease liability – net of current portion (Note 15)	**–**	1,601
Liability for mine rehabilitation (Note 17)	**114,293**	84,658
Deferred tax liabilities (Note 26)	**1,846,505**	1,927,211
Total Non-current Liabilities	**2,527,657**	18,464,135
Total Liabilities	**₱21,846,066**	₱23,576,446

(Forward)

	December 31	
	2025	2024
Equity		
Capital stock – ₱1 par value (Note 18)	**₱3,559,533**	₱3,559,533
Additional paid-in capital (Note 18)	**19,650,936**	19,650,936
Subscription receivable (Note 18)	**(4,841,801)**	(4,841,801)
Revaluation increment on land (Note 9)	**963,460**	963,460
Remeasurement gain on retirement benefits liability (Note 25)	**173,437**	143,381
Cost of 1,980,000 treasury shares held by a subsidiary	**(23,267)**	(23,267)
Retained earnings (Note 18)	**21,548,640**	21,796,790
Cumulative translation adjustments (Note 18)	**5,492,411**	5,032,330
Equity attributable to equity holders of the parent company	**46,523,349**	46,281,362
Non-controlling interest (Note 18)	**3,410**	1,478
Total Equity	**46,526,759**	46,282,840
TOTAL LIABILITIES AND EQUITY	**₱68,372,825**	₱69,859,286

See accompanying Notes to the Consolidated Financial Statements

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands, Except Earnings Per Share)

	Years Ended December 31		
	2025	2024	2023
REVENUES FROM CONTRACTS WITH CUSTOMERS (Note 20)			
Copper concentrate	**₱17,173,137**	₱18,634,220	₱18,865,013
Mine waste	**19,211**	–	–
	17,192,348	18,634,220	18,865,013
COSTS AND EXPENSES – net			
Mining and milling costs (Note 21)	**14,014,445**	16,046,636	14,382,499
General and administrative expenses (Note 22)	**1,369,490**	1,516,557	1,329,069
Mine products taxes (Note 21)	**617,895**	739,403	756,141
Depletion of mining rights (Note 10)	**293,086**	345,585	284,657
Others – net (Note 28)	**201,339**	(139,938)	(134,357)
	16,496,255	18,508,243	16,618,009
OTHER INCOME (CHARGES)			
Finance charges (Note 27)	**(632,724)**	(640,346)	(626,599)
Fair value gain (loss) on derivatives – net (Note 6)	**(140,356)**	399,824	(63,246)
Fair value gain (loss) on provisionally-priced receivables – net (Notes 5 and 6)	**138,916**	(20,213)	(11,168)
Foreign exchange gains (losses) – net	**(132,395)**	(136,447)	167,911
Interest income (Note 27)	**39,241**	110,493	23,024
Share in net loss of associates (Note 12)	**(45,185)**	(30,117)	(33,819)
	(772,503)	(316,803)	(543,897)
INCOME (LOSS) BEFORE INCOME TAX	**(76,410)**	(187,070)	1,703,107
PROVISION FOR INCOME TAX (Note 26)	**(169,808)**	(44,003)	(585,551)
NET INCOME (LOSS)	**(₱246,218)**	(₱231,073)	₱1,117,556
Net income (loss) attributable to:			
Equity holders of the Parent Company	**(₱248,150)**	(₱231,051)	₱1,117,556
Non-controlling interest (Note 18)	**1,932**	(22)	–
	(₱246,218)	(₱231,073)	₱1,117,556

(Forward)

	Years Ended December 31		
	2025	2024	2023
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified to profit or loss in subsequent periods (net of tax):			
Revaluation increment on land (Note 9)	**₱–**	₱–	₱643,243
Remeasurement gain (loss) on retirement benefits liability (Note 25)	**30,056**	7,392	(52,220)
Items that may be reclassified subsequently to profit or loss in subsequent periods (net of tax):			
Cumulative translation adjustments (Note 18)	**460,081**	1,162,331	(176,781)
	490,137	1,169,723	414,242
TOTAL COMPREHENSIVE INCOME	**₱243,920**	₱938,650	₱1,531,798
Total comprehensive income (loss) attributable to:			
Equity holders of the Parent Company	**₱241,987**	₱938,672	₱1,531,798
Non-controlling interest (Note 18)	**1,932**	(22)	–
	₱243,919	₱938,650	₱1,531,798
EARNINGS (LOSS) PER SHARE (Note 30)			
Basic earnings (loss) per share	**(₱0.0698)**	(₱0.0649)	₱0.3141
Diluted earnings (loss) per share	**(₱0.0698)**	(₱0.0649)	₱0.3141

See accompanying Notes to the Consolidated Financial Statements

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

(Amounts in Thousands)

	Capital stock (Note 18)	Additional paid-in capital (Note 18)	Subscriptions receivable (Note 18)	Revaluation increment on land (Note 9)	Remeasurement gain (loss) on retirement benefits liability (Note 25)	Cumulative translation adjustments (Note 18)	Retained earnings (Note 18)	Treasury shares held by a subsidiary	Total	Non-Controlling Interest (Note 18)	Total Equity
BALANCES AT JANUARY 1, 2023	**₱3,559,533**	**₱19,650,936**	**(₱4,841,801)**	**₱320,217**	**₱188,209**	**₱4,046,780**	**₱20,910,285**	**(₱23,267)**	**₱43,810,892**	**₱–**	**₱43,810,892**
Net income	–	–	–	–	–	–	1,117,556	–	1,117,556	–	1,117,556
Other comprehensive income (loss)	–	–	–	643,243	(52,220)	(176,781)	–	–	414,242	–	414,242
Total comprehensive income (loss)	–	–	–	643,243	(52,220)	(176,781)	1,117,556	–	1,531,798	–	1,531,798
BALANCES AT DECEMBER 31, 2023	**3,559,533**	**19,650,936**	**(4,841,801)**	**963,460**	**135,989**	**3,869,999**	**22,027,841**	**(23,267)**	**45,342,690**	–	**45,342,690**
Non-controlling interest	–	–	–	–	–	–	–	–	–	1,500	1,500
Net loss	–	–	–	–	–	–	(231,051)	–	(231,051)	(22)	(231,073)
Other comprehensive income	–	–	–	–	7,392	1,162,331	–	–	1,169,723	–	1,169,723
Total comprehensive income (loss)	–	–	–	–	7,392	1,162,331	(231,051)	–	938,672	(22)	938,650
BALANCES AT DECEMBER 31, 2024	**3,559,533**	**19,650,936**	**(4,841,801)**	**963,460**	**143,381**	**5,032,330**	**21,796,790**	**(23,267)**	**46,281,362**	**1,478**	**46,282,840**
Net loss	–	–	–	–	–	–	(248,150)	–	(248,150)	1,932	(246,218)
Other comprehensive income	–	–	–	–	30,056	460,081	–	–	490,137	–	490,137
Total comprehensive income (loss)	–	–	–	–	30,056	460,081	(248,150)	–	241,987	1,932	243,919
BALANCES AT DECEMBER 31, 2025	**₱3,559,533**	**₱19,650,936**	**(₱4,841,801)**	**₱963,460**	**₱173,437**	**₱5,492,411**	**₱21,548,640**	**(₱23,267)**	**₱46,523,349**	**₱3,410**	**₱46,526,759**

See accompanying Notes to the Consolidated Financial Statements

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31		
	2025	2024	2023
OPERATING ACTIVITIES			
Income (loss) before income tax	**(₱76,410)**	(₱187,070)	₱1,703,107
Adjustments for:			
Depreciation and depletion (Notes 9 and 10)	**5,054,648**	5,445,844	4,610,726
Finance charges (Note 27)	**632,724**	640,346	626,599
Foreign exchange losses (gains) – net	**279,388**	1,451	(10,081)
Unrealized loss (gain) on derivatives (Note 6)	**169,496**	(87,620)	–
Interest income (Note 27)	**(39,241)**	(114,252)	(25,120)
Share in net loss of associates (Note 12)	**45,185**	30,117	33,819
Unrealized gain on:			
Investment in pooled funds (Notes 8 and 28)	**(10,438)**	(12,926)	(13,743)
Investment in unit investment trust fund (UITF) (Notes 13 and 28)	**(1,238)**	(1,253)	(1,219)
Short-term investments (Notes 4 and 28)	**(292)**	–	–
Loss on retirement of property and equipment (Notes 9 and 28)	**21,916**	11,751	1,080
Movement in retirement benefits liability	**9,825**	(7,127)	(109,518)
Loss (gain) on disposal of property and equipment (Notes 9 and 28)	**(1,343)**	112	(492)
Operating income before working capital changes	**6,084,220**	5,719,373	6,815,158
Decrease (increase) in:			
Trade and other receivables	**(540,838)**	480,668	(183,851)
Inventories	**62,461**	2,916	43,825
Other current assets	**(123,828)**	(1,076,082)	(122,143)
Other non-current assets	**434,034**	62,968	(1,168,161)
Increase (decrease) in accounts payable and accrued liabilities	**(1,047,362)**	154,668	45,421
Net cash generated from operations	**4,868,687**	5,344,511	5,430,249
Income taxes paid	**(948)**	(639,556)	(608,798)
Interest paid	**(582,368)**	(590,413)	(580,183)
Interest received	**40,627**	110,368	24,510
Net cash flows from operating activities	**4,325,998**	4,224,910	4,265,778
INVESTING ACTIVITIES			
Additions to:			
Property, plant and equipment (Note 9)	**(2,571,688)**	(3,664,305)	(3,010,445)
Short-term investments (Note 4)	**(9,935,510)**	–	–
Investment in pooled funds (Note 8)	**(140,293)**	–	–
Proceeds from:			
Short-term investments (Note 4)	**8,378,890**	–	–
Investment in pooled funds (Note 8)	**38,800**	–	–
Disposal of property and equipment (Note 9)	**1,343**	–	517
Dividends (Note 12)	**–**	–	16,710
Net cash flows used in investing activities	**(4,228,458)**	(3,664,305)	(2,993,218)

(Forward)

	Years Ended December 31		
	2025	2024	2023
FINANCING ACTIVITIES			
Payments of:			
Long-term debts (Note 36)	**(₱1,316,896)**	₱–	(₱834,477)
Principal portion of lease liability (Note 15)	**(2,959)**	(2,818)	(2,684)
Net cash flows used in financing activities	**(1,319,855)**	(2,818)	(837,161)
NET EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(16,787)**	(1,317)	9,804
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(1,239,102)**	556,470	445,203
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**2,260,587**	1,704,117	1,258,914
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱1,021,485**	₱2,260,587	₱1,704,117

See accompanying Notes to the Consolidated Financial Statements

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

Corporate Information

Atlas Consolidated Mining and Development Corporation (the Parent Company) was incorporated and was registered with the Philippine Securities and Exchange Commission (SEC) as "Masbate Consolidated Mining Company, Inc." on March 9, 1935 as a result of the merger of assets and equities of three pre-war mining companies, namely, Masbate Consolidated Mining Company, Antamok Goldfields Mining Company and IXL Mining Company. Thereafter, it amended its articles of incorporation to reflect the present corporate name. The registered business address of the Parent Company is Five E-com Center, Palm Coast Avenue corner Pacific Drive, Mall of Asia Complex (1300), Pasay City.

The Parent Company, through its subsidiaries, is primarily engaged in metallic mineral mining and exploration, and currently produces copper concentrate (with gold and silver).

The Parent Company's shares of stock were listed with the Philippine Stock Exchange (PSE) on November 17, 1970.

A major restructuring of the Parent Company was undertaken in 2004 and 2005 with the creation of three special-purpose subsidiaries to develop the Toledo Copper Project, the Berong Nickel Project, and the Toledo-Cebu Bulk Water and Reservoir Project. As a result, Carmen Copper Corporation (CCC), Berong Nickel Corporation (BNC) and AquAtlas, Inc. (AI) were incorporated and, subsequently, were positioned to attract project financing, as well as specialist management and operating expertise. In addition, the Parent Company incorporated wholly owned subsidiaries: Atlas Exploration Inc. (AEI), to host, explore and develop copper, gold, nickel and other mineral exploration properties; and Amosite Holdings, Inc. (AHI) to hold assets for investment purposes. AEI will also explore for other metalliferous and industrial minerals to increase and diversify the mineral holdings and portfolio of the Parent Company.

On August 29, 2024, the Group (through its subsidiary, CCC), acquired 34,997 shares at ₱100 par value per share, representing 70% ownership in CC Ecomine Solutions, Inc. (CCESI), an entity incorporated in the Philippines, in exchange for cash amounting to ₱3,500 (see Note 18h). CCESI primarily focuses on sustainable mining waste disposal, handling, and management. This includes, but not limited to, the collection, transportation, treatment, and environmentally responsible disposal of mining byproducts, other byproduct, tailings, and residues, ensuring compliance with all relevant environmental laws and regulations.

Business Operations

The Parent Company has control of CCC, AI, AEI, and AHI as at December 31, 2025 and 2024. The Company has indirect control of CCESI as at December 31, 2025 and 2024.

The Parent Company has no geographical segments as these entities were incorporated and are operating within the Philippines.

The table below contains the details of the Parent Company's equity interest in its subsidiaries (collectively, the Group) and a description of the nature of the business of each subsidiary as at December 31, 2025 and 2024:

	Nature of Business	Percentage of Ownership	
		Direct	Indirect
AEI	Incorporated in the Philippines on August 26, 2005 to engage in the business of searching, prospecting, exploring and locating of ores and mineral resources, and other exploration work	100%	–
AI	Incorporated in the Philippines on May 26, 2005 to provide and supply wholesale or bulk water to local water districts and other customers	100%	–
AHI	Incorporated in the Philippines on October 17, 2006 to hold assets for investment purposes	100%	–
CCC	Incorporated in the Philippines on September 16, 2004 primarily to engage in exploration work for the purpose of determining the existence of mineral resources, extent, quality and quantity, and the feasibility of mining them for profit.	100%	–
CCESI	Incorporated in the Philippines on August 29, 2024, primarily to focus on sustainable mining waste disposal, handling, and management.	–	70%

a. *AEI*
AEI incurred a net loss of ₱71 in 2025 and has cumulative capital deficiency of ₱106,486 as at December 31, 2025.

b. *AI*
AI incurred a net loss of ₱71 in 2025 and has cumulative capital deficiency of ₱32,576 as at December 31, 2025.

c. *AHI*
AHI owns certain real properties that are utilized in the mining operations of CCC. AHI incurred a net loss of ₱78 in 2025 and has cumulative deficit of ₱3,684 as at December 31, 2025.

d. *CCC*
In July 2011, the Parent Company acquired all of the equity interest of CASOP Atlas BV and CASOP Atlas Corporation (collectively called CASOP) in CCC. As a result, the Parent Company became the owner of 100% of CCC's outstanding capital stock. Prior to such acquisition, the Parent Company owned 54.45% of the outstanding capital stock of CCC.

On May 5, 2006, the Parent Company entered into an Operating Agreement with CCC (the Operating Agreement) respecting the terms of the assignment by the Company to CCC of operating rights over the Toledo mining complex, and the right to acquire certain fixed assets (Note 35b).

Status of Operations
The Group incurred net losses amounting to ₱246.22 million and ₱231.07 million in 2025, and 2024, respectively. As at December 31, 2025, the Group's current liabilities exceeded its current assets by ₱12.41 billion. The working capital deficit primarily reflects the reclassification of term loans from noncurrent to current in view of their upcoming maturity.

Management assessed that with the Group's credit facilities (see Note 35e) and ability to generate sufficient cash flows from its operations as forecasted, the Group will be able to generate sufficient cash flows to meet its obligations as and when they fall due. In addition, management has initiated and continues to pursue the renegotiation and renewal of maturing loan facilities with its lending banks. As such, the accompanying consolidated financial statements have been prepared under the going concern basis of accounting.

Authorization for the Issuance of the Consolidated Financial Statements
The consolidated financial statements of the Group as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025 were authorized for issuance by the Board of Directors (BOD) on March 9, 2026.

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

Basis of Preparation
The consolidated financial statements have been prepared on a historical cost basis, except for parcels of land, which are carried at revalued amounts, short-term investments, trade receivables, derivatives, investment in pooled funds, quoted equity instrument, and investment in unit investment trust fund (UITF), which have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), which is the presentation currency of the Group under Philippine Financial Reporting Standards (PFRS) Accounting Standards. Based on the economic substance of the underlying circumstances relevant to Atlas Consolidated Mining and Development Corporation and each of the Subsidiaries, the functional currencies of the Parent Company, and its associates and subsidiaries is the Philippine Peso, except for CCC whose functional currency is the United States Dollar (US$). All values are rounded to the nearest thousands (₱000), except when otherwise indicated.

Statement of Compliance
The consolidated financial statements of the Group have been prepared in accordance with PFRS Accounting Standards as adopted by the Financial and Sustainability Reporting Standards Council (FSRSC).

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at December 31, 2025 and 2024.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

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

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group losses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

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

If the Group loses control over a subsidiary, it derecognizes the related assets, including goodwill, liabilities, non-controlling interests and other components of equity while any gain or loss is recognized in the consolidated statements of comprehensive income. Any investment retained is recognized at fair value.

The financial statements of the subsidiaries are prepared for the same accounting period as the Parent Company using uniform accounting policies.

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments effective in 2025. 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 amendments did not have an impact on the consolidated financial statements of the Group.

- Amendments to Philippine Accounting Standards (PAS) 21*, Lack of exchangeability*

  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted, and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

Standards Issued but not yet Effective

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

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

  The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.

  The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

  The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

  The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

  The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

  The amendments only apply to contracts that reference nature-dependent electricity such as contracts to buy or sell nature-dependent electricity, as well as financial instruments that reference such electricity. This amendment cannot be applied by analogy to other contracts, items or transactions.

  The amendments clarify the application of the 'own-use' requirements for in-scope contracts, amend the designation requirements for a hedge item in a cash flow hedging relationship for in-scope contracts and include new disclosure requirements.

- Annual Improvements to PFRS Accounting Standards - Volume 11

  The amendments are limited to changes that either clarify the wording in an PFRS Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the PFRS Accounting Standards. The following is the summary of the PFRS Accounting Standards involved and their related amendments.

  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
    The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
    The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

  - Amendments to PFRS 9
    a) Lessee Derecognition of Lease Liabilities
       The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

    b) Transaction Price
       The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to 'transaction price as defined by PFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying PFRS 15'. The term 'transaction price' in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
    The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

  - Amendments to PAS 7, *Cost Method*
    The amendments to paragraph 37 of PAS 7 replaced the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:
    - A specific adaptation for contracts with direct participation features (the variable fee approach)
    - A simplified approach (the premium allocation approach) mainly for short-duration contracts

  On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. Thereafter, on February 14, 2025, the FSRSC approved the amendment to PFRS 17 that further defers the date of initial application by an additional two years, to annual periods beginning on or after January 1, 2027. This will provide more time for the insurance industry to fully prepare and assess the impact of adopting the said standard.

- PFRS 18, *Presentation and Disclosure in Financial Statements*

  The standard replaces PAS 1, *Presentation of Financial Statements* and responds to investors' demand for better information about companies' financial performance. The new requirements include:
    - Required totals, subtotals and new categories in the statement of profit or loss
    - Disclosure of management-defined performance measures
    - Guidance on aggregation and disaggregation

  The Group is currently assessing the impact of PFRS 18 on the consolidated financial statements.

- PFRS 19, *Subsidiaries without Public Accountability*

  The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS Accounting Standards.

  In 2025, PFRS 19 was amended to provide reduced disclosure requirements for new or amended PFRS Accounting Standards adopted by the FSRSC from the issuances of the International Accounting Standards Board between February 2021 and May 2024.

  The application of the standard is optional for eligible entities.

  The Group is currently assessing if the subsidiaries will elect to apply the reduced disclosure requirements of PFRS 19.

- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

  The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

Deferred effectivity

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

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the FSRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Material Accounting Policy Information

Current versus Non-current Classification
The Group presents assets and liabilities in the consolidated statements of financial position based on current or non-current classification. An asset as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

Financial Instruments – Initial Recognition and Subsequent Measurement

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

Financial Assets

Initial Recognition and Measurement

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

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 a financial asset not at 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 fair value through other comprehensive income, it needs to give rise to cash flows that are solely for payments of principal and interest on the principal amount outstanding. This assessment is referred to as the solely for payments of principal and interest test and is performed at an instrument level. Financial assets with cash flows that are not solely for payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

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. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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

Subsequent Measurement

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

- Financial assets at amortized cost (debt instruments)
- Financial assets designated at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial Assets at Amortized Cost (Debt Instruments)
This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely for payments of principal and interest on the principal amount outstanding.

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

The Group's financial assets at amortized cost include cash and cash equivalents, non-trade receivables, interest receivables, advances to related parties, advances to officers and employees, and refundable deposits under other non-current assets.

Financial Assets at Fair Value through Profit or Loss
Financial assets at fair value through profit or loss are carried in the consolidated statements of financial position at fair value with net changes in fair value recognized in profit or loss in the consolidated statements 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 fair value through profit or loss category.

As PFRS 9 now has the solely for payments of principal and interest 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 fair value through profit or loss in its entirety. This is applicable to the Group's trade receivables (subject to provisional pricing) arising from sale of copper concentrate. These trade 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 solely for payments of principal and interest test. As a result, these trade receivables are measured at fair value through profit or loss from the date of recognition of the corresponding sale, with subsequent movements being recognized in fair value gain or loss on provisionally priced trade receivables in the consolidated statements of comprehensive income.

Aside from trade receivables, this category also includes derivative assets, quoted equity instrument, short-term investments, investment in UITF and investment in pooled funds which the Group classified at fair value through profit or loss.

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of Financial Assets
The Group recognizes an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses 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.

Expected credit losses are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month expected credit losses). 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 expected credit losses).

For any other financial assets carried at amortized cost (which are due in more than 12 months), the expected credit losses are based on the 12-month expected credit losses. The 12-month expected credit losses is the proportion of lifetime expected credit losses that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit losses. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual

amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one 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 fair value through profit or loss, loans and borrowings and 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 accounts payable and accrued liabilities, lease liability, and long-term debts.

Subsequent Measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statements of comprehensive income. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial Liabilities at Amortized Cost (Loans and Borrowings)

After initial recognition, loans and borrowings and payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statements of comprehensive income 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 statements of comprehensive income. This category generally applies to accounts payable and accrued liabilities, lease liability, and long-term debts.

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 statements of comprehensive income.

Exchange or Modification of Financial Liabilities
The Group considers both qualitative and quantitative factors in assessing whether a modification of financial liabilities is substantial or not. The terms are considered substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial liability. However, under certain circumstances, modification or exchange of a financial liability may still be considered substantial, even where the present value of the cash flows under the new terms is less than 10% different from the present value of the remaining cash flows of the original financial liability. There may be situations where the modification of the financial liability is so fundamental that immediate derecognition of the original financial liability is appropriate (e.g., restructuring a financial liability to include an embedded equity component).

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the fair value of the new liability is recognized in profit or loss.

When the exchange or modification of the existing financial liability is not considered as substantial, the Group recalculates the gross carrying amount of the financial liability as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR and recognizes a modification gain or loss in profit or loss.

If modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the financial instrument and are amortized over the remaining term of the modified financial instrument.

The Group's policy is to treat restructuring as extinguishment when there is revision of nominal interest rates for liabilities that are prepayable at par at a current market rate, and the prepayment at par i.e. unpaid principal and interest, at any time is with no penalty. The revision of the rates is in substance a settlement of the existing loan through the exercise of the prepayment option and commencement of a new loan at a market rate of interest. The cash flows of the original loan are deemed to have expired and should be derecognized with a corresponding new loan recognized.

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Fair Value Measurement

The Group measures financial instruments, such as derivatives, provisionally-priced trade receivables, and land, at fair value at the end of the reporting period.

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

• Significant estimates and assumptions	Note 3
• Derivatives	Notes 5 and 6
• Financial assets at fair value through profit or loss	Notes 4, 8, and 13
• Land	Note 9
• Financial instruments	Note 32

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

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

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

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

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

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

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

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

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

Derivative Financial Instruments

The Group uses derivative financial instruments, such as forward commodity contracts, to hedge its commodity price risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair Value Hedges

The change in the fair value of a hedging instrument is recognized in the consolidated statements of comprehensive income as other income (charges). The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the consolidated statements of comprehensive income as other income (charges).

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognized, the unamortized fair value hedge adjustment is recognized immediately in profit or loss.

As of December 31, 2025, the Group has freestanding derivative instruments in place to hedge against risks associated with copper and fuel prices (see Note 6).

Borrowing Costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Capitalization of borrowing costs commences when the activities to prepare the assets are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use. If the carrying amount of the asset exceeds its estimated recoverable amount, an impairment loss is recorded.

When funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred. When surplus funds are temporarily invested, the income generated from such temporary investment is deducted from the total capitalized borrowing cost. When the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the period.

Inventories
Mine products inventory, which includes coarse ore, fine ore and copper concentrate containing copper, and gold, and materials and supplies are valued at the lower of cost and net realizable value (NRV).

Cost is determined using the following methods:

Mine Products Inventory
The cost of mine products inventory is determined using the moving average method and is comprised of materials and supplies, depreciation, depletion, personnel costs and other cost that are directly attributable in bringing the copper concentrates in its saleable condition.

Materials and Supplies
Materials and supplies primarily pertain to consumable bearing and grinding balls, coolant and lubricants for the concentrators, concentrator supplies such as flotation reagent for the processing of the extracted ores, spare parts for concentrator machinery, crushers and conveyors, supplies such as diesel and gasoline fuels used by dump trucks and drilling machinery in extracting and transporting the ores, and explosives and blasting accessories for open pit mining. Cost is determined using the moving average method.

The Group determines the NRV of inventories at the end of the reporting period. NRV for mine product inventories is the selling price in the ordinary course of business, less the estimated costs of completion and costs of selling the final product. In the case of materials and supplies, NRV is the current replacement cost. If the cost of the inventories exceeds its NRV, the asset is written down to its NRV and impairment loss is recognized in the consolidated statements of comprehensive income in the period the impairment is incurred.

In case the NRV of the inventories increased subsequently, the NRV will increase the carrying amount of inventories but only to the extent of the impairment loss previously recognized. Any provision for inventory obsolescence is determined by reference to specific items of stock. A regular review is undertaken by the Group to determine the extent of any provision for obsolescence.

Property, Plant and Equipment
Items of property, plant and equipment, except land, are carried at cost less accumulated depreciation and depletion, and any impairment in value. Parcels of land of the Group are carried at revalued amount less any impairment in value.

The initial cost of property, plant and equipment comprises its purchase price, including import duties, taxes, and any directly attributable costs of bringing the property, plant and equipment to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment have been placed into operation, such as repairs and maintenance costs, are normally recognized in the consolidated statements of comprehensive income in the period they are incurred. When property, plant and equipment items are sold or retired, the cost and related accumulated depletion and depreciation are removed from the accounts and any resulting gain or loss is recognized in the consolidated statements of comprehensive income.

Depreciation of property, plant and equipment, except mine development costs, is computed using the straight-line method over the estimated useful lives of the assets as follows:

	Number of Years
Roadways and bridges	5 – 40
Buildings and improvements	5 – 25
Machinery and equipment	3 – 20
Transportation equipment	5 – 7
Furniture and fixtures	5

Depreciation or depletion of an item of property, plant and equipment begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation or depletion ceases at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations,* and the date the asset is derecognized.

The estimated mineral reserves, useful lives, and depreciation and depletion methods are reviewed periodically to ensure that the estimated mineral reserves, periods and methods of depreciation and depletion are consistent with the expected pattern of economic benefits from the items of property, plant and equipment. The assets' useful lives and methods of depreciation are reviewed and adjusted, if appropriate, at the end of the reporting period.

Property, plant and equipment also include the estimated costs of rehabilitating the mine site, for which the Group is constructively and legally liable. These costs, included under mine development costs, are amortized using the units-of-production method based on the estimated mineral reserves until the Group actually incurs these costs in the future.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statements of comprehensive income in the year the asset is derecognized.

Expenditures on major maintenance refits or repairs comprise the cost of replacement assets or parts of assets and overhaul cost. Where an asset or part of an asset that was separately depreciated and is now written-off is replaced, and it is probable that future economic benefits associated with the item will flow to the Group through an extended life, expenditure is capitalized. All other day-to-day maintenance costs are expensed as incurred.

Parcels of land are measured at fair value at the date of revaluation. Valuations are performed with sufficient frequency to ensure that carrying amount of revalued asset does not differ materially from its fair value. The net appraisal increment resulting from the revaluation of land is credited to the revaluation increment on land account shown under the equity section of the consolidated statements of financial position. Any appraisal decrease is first offset against revaluation increment on earlier

revaluation. The revaluation increment pertaining to disposed land is transferred to the retained earnings account.

Right-of-use Asset
The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset 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-of-use assets includes the amount 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.

Mine Development Costs
Mine development costs are stated at cost, which includes cost of construction, borrowing costs and other direct costs. Mine development costs pertain to costs attributable to current commercial operations and are depleted using the units-of-production method based on estimated mineral reserves.

Mine development costs also include the estimated costs of rehabilitating the mine site, for which the Group is constructively and legally liable. These costs are amortized using the units-of-production method based on the estimated mineral reserves until the Group actually incurs these costs in the future.

Construction in-progress
Construction in-progress includes mine development costs which are not attributable to current commercial operations and are not depleted or depreciated until such time as the relevant assets are completed and become available for use. Construction in-progress are transferred to the related property, plant and equipment account when the construction or installation and related activities necessary to prepare the property, plant and equipment for their intended use are complete and the property, plant and equipment are ready for service.

Deferred Stripping Costs
Stripping costs incurred in the development of a mine before production commences are capitalized as part of the cost of constructing the mine (under construction in-progress) and subsequently amortized over the estimated life of the mine on a units-of-production basis. Where a mine operates several open pit that are regarded as separate operations for the purpose of mine planning, stripping costs are accounted for separately by reference to the ore from each separate pit. If, however, the pits are highly integrated for the purpose of the mine planning, the second and subsequent pits are regarded as extensions of the first pit in accounting for stripping costs. In such cases, the initial stripping (i.e., overburden and other waste removal) of the second and subsequent pits is considered to be production phase stripping relating to the combined operation.

For stripping costs incurred subsequently during the production stage of the operation, the stripping activity cost is accounted as part of the cost of inventory if the benefit from the stripping activity will be realized in the current period. When the benefit is the improved access to ore, the Group shall recognize these costs as stripping activity assets. The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset. After initial recognition, the deferred stripping cost is carried at its cost less depreciation or depletion and less impairment losses.

Deferred Mine Exploration Costs

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Exploration and evaluation activity includes:

- Researching and analyzing historical exploration data
- Gathering exploration data through geophysical studies
- Exploratory drilling and sampling
- Determining and examining the volume and grade of the resource
- Surveying transportation and infrastructure requirements
- Conducting market and finance studies

License costs paid in connection with a right to explore in an existing exploration area are capitalized and amortized over the term of the permit.

Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to the consolidated statements of comprehensive income as incurred, unless the Group concludes that a future economic benefit is more likely than not to be realized. These costs include directly attributable employee remuneration, materials and fuel used, surveying costs, drilling costs and payments made to contractors.

In evaluating whether the expenditures meet the criteria to be capitalized, several different sources of information are used. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed.

Expenditure on exploration and evaluation is accounted for in accordance with the area of interest method. Exploration and evaluation expenditure is capitalized provided the rights to tenure of the area of interest is current and either: the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, then, any fulfillment exploration and evaluation expenditure is reclassified as mine properties and mine development costs included as part of property, plant and equipment. Prior to reclassification, exploration and evaluation expenditure is assessed for impairment.

When a project is abandoned, the related deferred mine exploration costs are written off.

Exploration areas are considered permanently abandoned if the related permits of the exploration have expired and/or there are no definite plans for further exploration and/or development.

Mining Rights

Mining rights are identifiable intangible assets acquired by the entity to explore, extract, and retain, at least, a portion of the benefits from mineral deposits. Mining rights shall be recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

The cost of a separately acquired mining right comprises: (a) its purchase price and non-refundable purchase taxes; and (b) any directly attributable cost of preparing the asset for its intended use. Mining rights acquired through business combination is initially valued at its fair value at the acquisition date. The fair value of mining rights will reflect expectations about the probability that the expected future economic benefits embodied in the asset will flow to the entity.

Mining rights shall be subsequently depleted using the units-of-production method based on estimated mineral reserves in tonnes or legal right to extract the minerals, whichever is shorter.

Depletion shall begin when the asset is available for use and shall cease at the earlier of the date that the asset is classified as held for sale in accordance with PFRS 5 and the date that the asset is derecognized. The depletion expense for each period shall be recognized in the consolidated statement of comprehensive income.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date, and any gain or loss is recognized in the consolidated statements of comprehensive income.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, will be recognized in accordance with PFRS 9, either in the consolidated statements of comprehensive income or as change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity. If the contingent consideration is not within the scope of PFRS 9, it is measured at fair value at each reporting date and changes in fair value shall be recognized in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is more than the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the

amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Investments in Associates

Associates are entities over which the Group is able to exert significant influence. Significant influence is the power to participate in the financial and reporting policy decisions of the investee, but has no control or joint control over those policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investments in associates are accounted for using the equity method, less any impairment in value, in the consolidated statements of financial position. Under the equity method, the investment in associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date.

The consolidated statement of comprehensives income reflects the Group's share of the results of operations of the associates. When there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the consolidated statements of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates.

The aggregate of the Group's share in profit or loss of an associate is shown in the consolidated statements of comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interest in the subsidiaries of the associate.

The financial statements of the associates are prepared for the same reporting period and using uniform accounting policies as the Group. When necessary, adjustments are made to bring the accounting policies of the associates in line with those of the Group.

Impairment of Non-financial Assets

Property, Plant and Equipment, and Mining Rights

Property, plant and equipment and mining rights are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount of an asset exceeds its recoverable amount, the asset or cash-generating unit is written down to its recoverable amount.

The estimated recoverable amount is the higher of an asset's or cash-generating unit fair value less cost to sell and value-in-use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the asset is tested as part of a large cash-generating unit. 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, using a pre-tax discount rate, 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 pre-tax discount rate used reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in the consolidated statement of comprehensive income.

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

Deferred Mine Exploration Costs
The Group assesses whether facts and circumstances suggest that the carrying amount of deferred mine exploration costs may exceed its recoverable amount. Below are some of the facts and circumstances, which the Group considers in determining whether there is impairment on deferred mine exploration costs:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the deferred mine exploration costs is unlikely to be recovered in full from successful development or by sale

Full provision is made for the impairment unless it is probable that such costs are expected to be recouped through successful exploration and development of the area of interest, or alternatively, by its sale. If the project does not prove to be viable or is abandoned, all revocable cost associated with the project and the related impairment provisions are written off.

Recovery of impairment losses recognized in prior years is recorded if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The recovery is recorded in the statement of comprehensive income.

Goodwill
Goodwill is reviewed for impairment annually. Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount to which goodwill has been allocated, an impairment loss is recognized. Where goodwill forms part of cash-generating unit (or groups of cash-generating units) and part of the operations within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Goodwill disposed of in this circumstance is measured on the basis of the relative fair values of the operation disposed of and the portion of the cash-generating unit retained. Impairment losses relating to goodwill cannot be reversed in the future periods.

Investments in Associates
After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in associate. At each reporting date, the Group determines whether there is objective evidence that the investment in associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss as impairment loss in the consolidated statements of comprehensive income.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value.

Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statement of comprehensive income.
Other Non-financial Assets
The Group provides allowance for impairment losses on other non-financial assets when these can no longer be realized. The amount and timing of recorded expenses for any period would differ if the Group made different judgments or utilized different estimates. An increase in allowance for impairment losses would increase recorded expenses and decrease other non-financial assets.

Foreign Currencies
The Group's consolidated financial statements are presented in Philippine Peso, which is also the functional currencies of the Parent Company, associates and subsidiaries, except CCC. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and Balances
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in the consolidated statements of comprehensive income with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognized in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to consolidated statements of comprehensive income. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

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

Group Companies
On consolidation, the assets and liabilities of foreign operations are translated into Philippine Peso at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at the weighted average exchange rates of the year. The exchange differences arising on translation for

consolidation are recognized in other comprehensive income, and are accumulated in the cumulative translation adjustments account. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the consolidated statements of comprehensive income.

Leases

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

Lease Liabilities – Group as a Lessee

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including 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 a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

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

Income Taxes

Current Income Tax

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

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statements of comprehensive income.

Deferred Tax

Deferred tax is provided using the liability 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 at the reporting date.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, 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

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

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilized before their reversal or expiration.

Unrecognized deferred tax assets are reassessed at each end of the reporting period and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred tax assets to be recovered.

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

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Uncertainty over Income Tax Treatments
The Group assesses at the end of each reporting period whether it has any uncertain tax treatments by reviewing the assumptions about the examination of tax treatments by the taxation authority, determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, and considering changes in relevant facts and circumstances. The Group then evaluates how likely is it that

a certain tax treatment will be accepted by the taxation authority. If it is probable that the taxation authority will accept a certain tax treatment, the Group concludes that it has no uncertain tax treatment and will measure tax amounts in line with the income tax filings. If it is not probable that the taxation authority will accept a certain tax treatment, the Group measures tax amounts based on the 'most likely amount' method (better predicts uncertainty if the possible outcomes are binary or are concentrated on one value) or 'expected value' method (better predicts uncertainty if there is a range of possible outcomes that are neither binary nor concentrated on one value). The Group presents uncertain tax liabilities as part of current tax liabilities or deferred tax liabilities.

Share-based Payments

The cost of equity-settled transactions with employees is measured by reference to their fair value at the date they are granted, determined using the acceptable valuation techniques.

The cost of equity-settled transactions, together with a corresponding increase in equity, is recognized over the period in which the performance and/or service conditions are fulfilled ending on the date on which the employees become fully entitled to the award (vesting date).

The cumulative expense recognized for equity-settled transactions at the end of the reporting period up to and until the vesting date reflects the extent to which the vesting period has expired, as well as the Group's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for the period represents the movement in cumulative expense recognized at the beginning and end of that period. No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which awards are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognized as if the terms had not been modified. An additional expense is likewise recognized for any modification which increases the total fair value of the share-based payment arrangement or which is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. If a new award, however, is substituted for the cancelled awards and designated as a replacement award, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Capital Stock and Additional Paid-in Capital

The Group has issued capital stock that is classified as equity. Incremental costs directly attributable to the issue of new capital stock are shown in the consolidated statement of changes in equity as a deduction, net of tax, from the proceeds.

Subscription Receivable

Subscription receivable represents outstanding receivables from stock subscription agreements. The Group may present the subscription receivable as part of current assets when they have established the right to receive the outstanding receivables within the next 12 months from the end of the reporting period. Otherwise, this is presented as a deduction from equity.

Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the consolidated statement of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between

the carrying amount and the consideration, if reissued, is recognized in share premium. Share options exercised during the reporting period are satisfied with treasury shares.

Retained Earnings
The amount included in retained earnings includes profit (loss) attributable to the Parent Company's equity holders and reduced by dividends on capital stock. Dividends on capital stock are recognized as a liability and deducted from equity when they are approved by the Parent Company's stockholders. Interim dividends, if any, are deducted from equity when these are paid. Dividends for the year that are approved after the end of the reporting period are dealt with as an event after the end of the reporting period.

Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions. Retained earnings may be appropriated for any plant expansion, investments and funding of certain reserve accounts to be established pursuant to the requirements of the lenders in accordance with the agreement. When appropriation is no longer needed, it is reversed.

When retained earnings account has a debit balance, it is called deficit. A deficit is not an asset but a deduction from equity.

Revenue from Contracts with Customers
The Group is principally engaged in the business of producing copper concentrate and mine waste. Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group has generally concluded that it is the principal in its revenue contracts because it typically controls the goods before transferring these to the customer.

Contract Assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. The Group does not have any contract assets as at December 31, 2025 and 2024, as performance and a right to consideration occurs within a short period of time and all rights to consideration are unconditional.

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).

Contract Liability
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract. The Group does not have any contract liabilities as at December 31, 2025 and 2024.

Copper Concentrate Sales
The Group's copper concentrate contains copper, gold and silver. For copper concentrate sales, the enforceable contract is each purchase agreement, which is an individual, short-term contract, while the performance obligation is the delivery of the copper concentrate.

Recognition of sales revenue for the commodities is based on determined metal in concentrate and the London Metal Exchange (LME) quoted prices, net of smelting and related charges. The sales of copper concentrate allow for price adjustments based on the LME price at the end of the QP stipulated in the contract. These are referred to as provisional pricing arrangements. Adjustments to the sales price occur based on movements in quoted market prices up to the end of the QP. The period between provisional invoicing and the end of the QP can be between one to two months. The next month after the end of the QP also marks the settlement date for each shipment.

For the Group's customers in 2025, 100% of the value of copper, gold and silver based on provisional prices (5-day average preceding the date of the invoice) is collected prior to shipment, net of refining and smelting charges, while the difference between the advance/provisional and final invoice is collected from or remitted to the customer upon the determination of the final shipment value on final weight and assays for metal content and prices during the QP less other related charges.

Revenue is recognized when control passes to the customer, which occurs at a point in time when the copper concentrate is physically transferred onto the buyer's vessel and date of the bill of lading issued by the buyer's shipping agent. Under the terms of offtake agreements with customers, the Group issues a provisional invoice for the entire volume of concentrate loaded to customer's vessel. Final invoice is made thereafter upon customer's outturn of concentrates delivered and submission of their final assay report. Adjustment is accordingly made against the final invoice with respect to provisional collections received by the Group to determine amounts still owing from/to customers.

For these provisional pricing arrangements, any future changes that occur over the QP are embedded within the provisionally priced trade receivables and are, therefore, within the scope of PFRS 9 and not within the scope of PFRS 15. Given the exposure to the commodity price, these provisionally priced trade receivables will fail the cash flow characteristics test within PFRS 9 and will be required to be measured at fair value through profit or loss up from initial recognition and until the date of settlement. These subsequent changes in fair value are recognized in the consolidated statements of comprehensive income each period and presented separately from revenue from contracts with customers as part of fair value gain or loss on provisionally priced trade receivables. Changes in fair value over, and until the end of, the QP, are estimated by reference to updated forward market prices for gold and copper as well as taking into account relevant other fair value considerations as set out in PFRS 13, including interest rate and credit risk adjustments (see Note 31).

As the enforceable contract for the arrangements is the purchase agreement, the transaction price is determined at the date of each sale (i.e., for each separate contract) and, therefore, there is no future variability within scope of PFRS 15 and no further remaining performance obligations under those contracts.

Mine Waste Sale
The Group sells limited quantities of mine waste materials, consisting primarily of graywacke, generated as a by-product of mining activities. Graywacke is a non-ore, low-grade waste rock that arises from stripping and development works and does not form part of the Group's identified mineral reserves. Although not economically valuable as ore, graywacke may be utilized by third parties for purposes such as construction fill, embankment material, or local infrastructure projects.

Revenue is recorded when control of the material transfers to the customer, which typically occurs upon delivery or loading at the mine site, depending on the contract terms. The selling price is based on agreed tonnage rates reflective of the material's low commercial value.

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

Costs and Expenses
Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Costs and expenses which include mining and milling costs, general administrative expenses, mine product taxes and depletion of mining rights, are generally recognized in the consolidated statements of comprehensive income when the services are used or the expenses are incurred.

Operating Segments
For management purposes, the Group is organized into two major operating segments (mining and non-mining businesses) 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 entities are the based upon which the Group reports its primary segment information (see Note 29).

Basic Earnings per Share
Basic earnings per share amounts are calculated by dividing net income attributable to the equity holders of the Parent Company by the weighted average number of common shares outstanding during the year.

Diluted Earnings per Share
Diluted earnings per share amounts are calculated by dividing the net income attributable to common equity holders of the Parent Company (after adjusting for interest on convertible preferred shares, warrants and stock options) by the weighted average number of common shares outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all potential dilutive common shares into common shares.

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

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

Liability for Mine Rehabilitation
The Group records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of waste sites, and restoration, reclamation and re-vegetation of affected areas. The obligation generally arises when the asset is installed or the ground or environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets. 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 statements of comprehensive income under finance charges. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and liability for mine rehabilitation cost, respectively, when these occur. The liability is reviewed on an annual basis for changes to obligations or legislation or discount rates that affect change in cost estimates or life of operations. The cost of the related asset is adjusted for changes in the liability resulting from changes in the estimated cash flows or discount rate, and the adjusted cost of the asset is depleted prospectively.

When rehabilitation is conducted progressively over the life of the operation, rather than at the time of closure, liability is made for the estimated outstanding continuous rehabilitation work at each end of the reporting period and the cost is charged to the consolidated statements of comprehensive income.

The ultimate cost of mine rehabilitation 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 estimated mineral reserves or production rates. As a result, there could be significant adjustments to the liability for mine rehabilitation cost, which would affect future financial results.

Changes to estimated future costs are recognized in the consolidated statement of financial position by either increasing or decreasing the rehabilitation liability and rehabilitation asset 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 rehabilitation asset 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 rehabilitation liability and therefore an addition to the carrying value of the asset, the Group is required to consider whether this is an indication of impairment of the asset as a whole and test for impairment in accordance with PAS 36.

Employee Benefits

The net defined retirement benefits liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any).

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 the consolidated statements of comprehensive income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

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

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined retirement benefits liability) are recognized immediately in other comprehensive income in the period in which these arise. Remeasurements are not reclassified to the consolidated statements of comprehensive income in subsequent periods. The Group's right to be reimbursed of some or all of the expenditure required to settle a defined retirement benefits liability is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

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

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

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

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the consolidated financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements.

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

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRS Accounting Standards requires the Group to exercise judgment, make accounting estimates and use assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the accounting estimates to change. The effects of any change in accounting estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Accounting assumptions, estimates and judgments 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.

Other disclosures relating to the Group's exposure to risks and uncertainties include capital management, financial risk management and policies and sensitivity analyses disclosures (see Notes 31 and 33).

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 effects on amounts recognized in the consolidated financial statements:

Determination of Functional Currency

The Parent Company and most of its subsidiaries, based on the relevant economic substance of the underlying circumstances, have determined their functional currency to be the Philippine Peso. CCC's functional currency is US$.

In making this judgment, each entity in the Group considered the following:

- The currency that mainly influences sales prices for financial instruments and services (this will often be the currency in which sales price for its financial instruments and services are denominated and settled)
- The currency in which funds from financing activities are generated and
- The currency in which receipts from operating activities are usually retained

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 board seat representations it has in an associate's governing body and its interchange of managerial personnel with an associate, among others.

As at December 31, 2025 and 2024, the Group assessed that it has significant influence over the associates and has accounted for the investments as investments in associates. The Group has the ability to participate in the financial and reporting decisions of the investee, but has no control or joint control over those policies (see Note 12).

Bill-and-hold Sales

The Group recognized sale on shipments classified as bill-and-hold when there is transfer of risk and reward from the Group to the buyer due to the following:

- It is probable that delivery will be made
- The item is on hand, identified and ready for delivery to the buyer at the time the sale is recognized
- The buyer specifically acknowledges the deferred delivery instructions and
- The usual payment terms apply

The Group engages a third-party surveyor to conduct an independent physical inspection of the copper concentrate. The third-party surveyor attests that the quantity disclosed in the holding certificate is consistent with the independent testing results.

Bill-and-hold sales of copper concentrate amounted to ₱521,884 as at December 31, 2025, which was subsequently shipped on February 1, 2026. In 2025 and 2024, bill-and-hold sales amounted to ₱1,125,013 and ₱310,633, respectively.

Allocation of Stripping Costs
Significant judgement is required to distinguish between development stripping and production stripping and to distinguish between the production stripping that relates to the extraction of inventory and that which relates to the creation of a stripping activity asset.

Once the Group has identified its production stripping for each surface mining operation, it identifies the separate components of the ore bodies for each of its mining operations. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Significant judgement is required to identify and define these components, and also to determine the expected volumes (e.g., in tonnes) of waste to be stripped and ore to be mined in each of these components. These assessments are undertaken for each individual mining operation based on the information available in the mine plan. The mine plans and, therefore, the identification of components, will vary between mines for a number of reasons. These include, but are not limited to, the type of commodity, the geological characteristics of the ore body, the geographical location and/or financial considerations.

Judgement is also required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity assets for each component. The Group considers that the ratio of the expected volume (e.g., in tonnes) of waste to be stripped for an expected volume (e.g., in tonnes) of ore to be mined for a specific component of the ore body, is the most suitable production measure.

Furthermore, judgements and estimates are also used to apply the units-of-production method in determining the depreciation of the stripping activity asset.

Determination of Taxable Profit, Tax Bases, Unused Tax Losses, Unused Tax Credits and Tax Rates
The Group has assessed whether it has any uncertain tax treatments. The Group applies significant judgement in identifying uncertainties over its income tax treatments. The Group assessed whether the Interpretation had an impact on its consolidated financial statements. The Group determined, based on its tax assessment, in consultation with its tax counsel, that it has no uncertain tax treatments (including those for the subsidiaries).

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

Estimating Impairment of Goodwill, Property, Plant and Equipment, and Mining Rights
PFRS Accounting Standards require that an impairment review be performed when certain impairment indicators are present for property, plant and equipment and mining rights while goodwill is required to be tested for impairment at least annually. Impairment is determined for goodwill, property, plant and equipment, and mining rights by assessing the recoverable amount of the cash-generating unit to which the said assets relate. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods while any impairment loss for property, plant and equipment and mining rights may be reversed and such reversal must not exceed the carrying amount that would have been determined (net of depreciation and depletion) had no impairment loss been recognized in prior years.

Future events could cause the Group to conclude that the goodwill, property, plant and equipment and mining rights are impaired. Any resulting impairment loss could have a material adverse impact on the Group's financial condition and results of operations.

Management performed assessment of impairment as at December 31, 2025 and 2024. The recoverable amount of the cash-generating unit has been determined based on a value-in-use calculation using cash flow projections from financial budgets approved by management covering the mine life of the cash-generating unit.

The calculation of value-in-use for the cash-generating unit incorporates the following key assumptions: a) expected life of the project; b) future production levels and costs which are based on the Group's historical experience; c) contributions to the government based on current regulations; d) commodity prices which are estimated with reference to external market forecasts; and e) pre-tax discount rates of 13.16% and 12.32% as at December 31, 2025 and 2024, respectively.

The Group also recognizes impairment loss on individual assets when impairment indicators are present and aimed at individual assets rather than the cash-generating unit of which they are part of.
The Group did not recognize provision for impairment loss on goodwill, mining rights, and property, plant and equipment in 2025, 2024 and 2023 (see Notes 9 and 10).

Measurement of Expected Credit Losses
Expected credit losses are derived from unbiased and probability weighted estimates of expected loss, and 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 the original effective interest rate, or an approximation thereof. 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.

The Group did not recognize provision for expected credit losses in 2025, 2024, 2023. Other receivables at amortized cost, net of allowance for expected credit losses, amounted to ₱64,446 and ₱58,396 as at December 31, 2025 and 2024, respectively (see Note 5).

Estimating Fair Value of Financial Assets and Financial Liabilities
PFRS Accounting Standards requires that certain financial assets and liabilities be carried at fair value, which requires the use of accounting judgment and estimates. While significant components of fair value measurement are determined using verifiable objective evidence (e.g., foreign exchange rates, interest rates and volatility rates), the timing and amount of changes in fair value would differ with the valuation methodology used. Any change in the fair value of these financial assets and financial liabilities would directly affect net income or loss (see Note 32).

Estimating NRV of Mine Products Inventory
The estimation of the selling price of mine products inventory is based on the LME, which also represents an active market for the product. CCC concurrently uses the prices as agreed with its customers, and the weight and assay for metal content in estimating the fair value less cost to sell of mine products inventory. Any changes in the assay for metal content of the mine products inventory is accounted for and adjusted accordingly.

As at December 31, 2025 and 2024, the cost of mine products inventory is lower than its NRV.

No provision for impairment loss on mine products inventory was recognized in 2025, 2024 and 2023. Mine products inventory amounted to ₱11,927 and ₱17,681 as at December 31, 2025 and 2024, respectively (see Note 7).

Estimating Allowance for Inventory Obsolescence on Materials and Supplies Inventory
The Group recognizes provision for losses on materials and supplies whenever the NRV of inventories becomes lower than cost due to damage, inventory losses, physical deterioration, obsolescence, changes in price levels or other causes. Allowance for inventory obsolescence on materials and supplies

inventory amounted to ₱700,721 and ₱678,195 as at December 31, 2025 and 2024, respectively (see Note 7).

Provision for impairment loss in materials and supplies amounted to ₱16,249, ₱22,865 and nil in 2025, 2024 and 2023, respectively. Materials and supplies inventories, net of allowance for inventory obsolescence, amounted to ₱979,669 and ₱1,035,842 as at December 31, 2025 and 2024, respectively (see Note 7).

Estimating Volume of Mine Products Inventories
Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile. The number of contained copper in dry metric tonnes and gold in ounces are based on assay data, and the estimated recovery percentage is based on the expected processing method. Stockpile tonnages are verified by periodic surveys.

As at December 31, 2025 and 2024, the coarse ore stockpiles of the Group amounted to ₱11,050 and ₱3,716, respectively, while the fine ore stockpiles amounted to ₱877 and ₱8,617 as at December 31, 2025 and 2024, respectively. The copper concentrate inventory of the Group amounted to nil and ₱5,348 as at December 31, 2025 and 2024, respectively.

Determining Appraised Value of Land
The appraised value of land is based on a valuation by an independent appraiser firm, which management assessed holds a recognized and relevant professional qualification, and has recent experience in the location and category of the parcels of land being valued. The appraiser firm uses the market data approach in determining the appraised value of the parcels of land. These were valued by reference to transactions involving properties of a similar nature, location and condition. As at December 31, 2025 and 2024, the fair value of the land amounted to ₱1,377,436 and ₱1,376,962, respectively, based on the latest appraisal report obtained by the Group in 2023 (see Note 9).

Units-of-production Depletion
Estimated recoverable mineral reserves are key inputs in determining the depreciation/depletion of mine assets. This results in a depreciation/depletion charge proportional to the depletion of the anticipated remaining mine life. Estimated recoverable mineral reserves for development projects is, 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.

Each item's life, which is assessed annually, has regard to both physical life limitations and to present assessments of economically recoverable reserves of the mine property at which the asset is located.

The calculations require the use of estimates of future capital expenditure. The Group uses the tonnes of ore produced as the basis for depletion. Average depletion rates used by the Group in 2025, 2024 and 2023 are 4.63%, 5.13% and 4.10% respectively.

In 2021, the SEC En Banc approved the 2020 Philippine Mineral Reporting Code (PMRC), which was modelled after the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves of the Australasian Joint Ore Reserves Committee (2012 JORC Code) and the 2019 International Reporting Template of the Committee for Mineral Reserves International Reporting Standards. The SEC required that the 2020 PMRC shall take effect immediately. To comply with the 2020 PMRC, the Group adopted the 2017 Mineral Resource and Ore Reserve Update Report for the Toledo Copper Project, which was prepared in accordance with the 2012 JORC Code.

As at December 31, 2025, there has been no change in the Group's estimated mineral reserves.

Estimating Recoverability of Deferred Mine Exploration Costs w/ Impairment Procedures
The application of the Group's accounting policy for deferred mine exploration costs requires judgment and estimates in determining whether it is likely that the future economic benefits are certain, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after deferred mine explorations costs are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the consolidated statements of comprehensive income in the period when the new information becomes available.

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. An impairment loss is recognized when the carrying values of these assets are not recoverable and exceed their fair value.

In 2025, 2024 and 2023, no provision for impairment loss on the Group's deferred mine exploration costs was recognized (see Note 11).

Estimating Impairment of Investments in Associates w/ Impairment Procedures
The Group determines whether its investments in associates are impaired at least on an annual basis. This requires an estimation of recoverable amount, which is the higher of an asset's or cash-generating unit's fair value less cost to sell and value-in-use. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and to choose an appropriate discount rate in order to calculate the present value of those cash flows. Estimating the fair value less cost to sell is based on the information available to reflect the amount that the Group could obtain as at the end of the reporting period. In determining this amount, the Group considers the outcome of recent transactions for similar assets within the same industry.

No provision for impairment loss on the investments in associates was recognized by the Group in 2025, 2024 and 2023. Investment in associates amounted to ₱222,000 and ₱267,185 as at December 31, 2025 and 2024, respectively (see Note 12).

Estimating Impairment of Input VAT
The Group assesses on a regular basis if there is objective evidence of impairment of input VAT. The amount of impairment loss is measured as the difference between the carrying amount and the estimated recoverable amount.

At each reporting date, the Group assesses the recoverability of its input VAT claims based on the results of its application for refund and tax credit certificates. Input VAT that is estimated to be recoverable within 12 months after the reporting period is classified as current assets, while amounts recoverable beyond 12 months are classified as non-current assets.

Provision for impairment loss on input VAT recognized by the Group amounted to ₱395,633, ₱26,606 and ₱21, in 2025, 2024 and 2023, respectively. Allowance for impairment losses on input VAT recognized by the Group amounted to ₱802,922 and ₱447,672 as at December 31, 2025 and 2024, respectively (see Note 13).

Input VAT, net of allowance for impairment loss amounted to ₱3,902,388 and ₱4,096,834 as at December 31, 2025 and 2025, respectively (see Notes 8 and 13).

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

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined retirement benefits liability (see Note 25).

Estimating Liability for Mine Rehabilitation
The Group assesses its mine rehabilitation provision annually. The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates (3.07% and 3.10% as at December 31, 2025 and 2024, respectively), and changes in discount rates (6.41% and 5.98% as at December 31, 2025 and 2024, respectively). These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at the end of the reporting period represents management's best estimate of the present value of the future rehabilitation costs required.

Increase in the estimated liability for mine rehabilitation amounted to ₱26,831, ₱11,238, ₱3,948 in 2025, 2024 and 2023, respectively. Liability for mine rehabilitation recognized in the consolidated statements of financial position amounted to ₱114,293 and ₱84,658, as at December 31, 2025 and 2024, respectively (see Note 17).

Provisions and Contingencies
The estimate of the probable costs for the resolution of possible claims has been developed in consultation with outside counsel handling the Group's defense in these matters and is based upon an analysis of potential results. The Group is a party to certain lawsuits or claims arising from the ordinary course of business. However, the Group's management and legal counsel assessed that the eventual liabilities under these lawsuits or claims, if any, will not have a material effect on the consolidated financial statements. Accordingly, no provision for probable losses arising from the said claims was recognized by the Group in 2025, 2024 and 2023 (see Note 34).

Measurement of Mine Products Sales
Mine products sales are provisionally priced as these are not settled until predetermined future dates based on market prices at that time. Revenue on these sales are initially recognized based on shipment values calculated using the provisional metal prices, shipment weights and assays for metal content less deduction for insurance and smelting charges. The final shipment values are subsequently determined based on final weights and assays for metal content and prices during the applicable QP.

Total mine product sales, net of smelting and related charges, amounted to ₱17,192,348, ₱18,634,220 and ₱18,865,013 in 2025, 2024 and 2023, respectively (see Note 20).

Estimating Realizability of Deferred Tax Assets
The Group reviews the carrying amounts of deferred tax assets at the end of the reporting period and reduces deferred tax assets to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

As at December 31, 2025 and 2024, the Group has deductible temporary differences, NOLCO and excess MCIT totaling ₱391,597 and ₱395,441, respectively (see Note 26), for which no deferred tax assets were recognized.

Deferred tax assets amounting to ₱2,405,440 and ₱2,286,592 as at December 31, 2025 and 2024, respectively, were recognized as management assessed that sufficient future taxable profits will be available against which benefits of the deferred tax assets can be utilized (see Note 26).

4. Cash and Cash Equivalents, and Short-term Investments

Cash and Cash Equivalents

	2025	2024
Cash on hand	**₱8,256**	₱3,440
Cash in banks	**408,618**	297,285
Cash equivalents	**604,611**	1,959,862
	₱1,021,485	₱2,260,587

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at the prevailing rates.

Interest income earned from cash in banks and cash equivalents amounted to ₱39,227, ₱110,468 and ₱23,010 in 2025, 2024 and 2023, respectively (see Note 27). Interest receivable from cash equivalents amounted to ₱3,284 and ₱4,670 as at December 31, 2025 and 2024, respectively (see Note 5).

Short-term Investments

The short-term investments of the Group as at December 31, 2025, pertain to investments in Dollar-denominated money market funds, which are composed mainly of United States Treasury Bills. These are being held to provide the Group with low-risk, low-return investments while preserving the value of the said assets and maintaining a high level of liquidity. While these are short-term and highly liquid investments, which are subject to an insignificant risk of changes in value, the amount of cash that will be received upon conversion or disposal are not known at the time of the initial investment. As such, these investments in money market funds are presented as short-term investments and not as cash equivalents.

	2025
Balances at beginning of year	₱–
Additions	9,935,510
Proceeds	(8,378,890)
Unrealized fair value gain (Note 28)	292
Realized fair value gain (Note 28)	35,790
Cumulative translation adjustment	805
Balances at end of year	₱1,593,507

5. Trade and Other Receivables

	2025	2024
Trade receivables – at fair value through profit or loss	**₱798,746**	₱265,344
Other receivables – at amortized cost:		
Non-trade	**₱43,268**	₱40,116
Advances to:		
Related parties (Note 24)	**17,830**	12,728
Officers and employees	**4,743**	5,561
Interest receivable (Note 4)	**3,284**	4,670
	69,125	63,075
Less allowance for expected credit losses	**(4,679)**	(4,679)
	₱64,446	₱58,396

The Group's trade receivables arise from its shipments of copper concentrate, containing copper and gold. Trade receivables (subject to provisional pricing) are non-interest bearing, but are exposed to future commodity price movements over the QP and, hence, fail the solely for payments of principal and interest test and are measured at fair value up until the date of settlement.

Trade receivables are initially measured at the amount which the Group expects to be entitled, being the estimate of the price expected to be received at the end of QP. For the Group's present customers, 100% of the provisional invoice (based on the provisional price, calculated as the average price five days prior to delivery) is received in cash when the goods are loaded onto the vessel.

The QP is fixed to one month after the month of shipment. Final payment is due within one to three working days from the date of issuance of the final invoice or based on the mutual agreement by both parties.

Based on the Group's pricing agreements with its customers, copper concentrate sales will be provisionally priced at shipment date subject to price and quantity adjustment after the QP. Under the offtake agreements with its customers, the Group, with the consent of the customers, can price fix the copper shipments before the QP. Copper concentrate sales that were not subject to price fixing are assessed as having embedded derivatives that are not clearly and closely related.

The Group recognized net unrealized fair value gain amounting to ₱138,916 in 2025 and net unrealized fair value loss amounting to ₱20,213 and ₱11,168 in 2024 and 2023, respectively, on provisionally-priced receivables (see Note 6.)

Non-trade receivables mainly comprise of receivables from the outstanding balance of other billings, which are not directly related to the Group's operations. These are non-interest bearing and are generally collectible within one year.

Advances to officers and employees are non-interest bearing and are subject to payroll deduction.

Movements in allowance for expected credit losses attributable to other receivables are as follows:

	2025	2024	2023
Balances at beginning of year	**₱4,679**	₱4,679	₱71,105
Write-off	**–**	–	(66,352)
Cumulative translation adjustment	**–**	–	(74)
Balances at end of year	**₱4,679**	₱4,679	₱4,679

No provision for expected credit losses on other receivables were recognized in 2025, 2024 and 2023.

The Group has written-off receivables amounting to ₱66,352 in 2023, which pertain to long-outstanding receivables from third parties. The receivables written-off in 2023 have related allowance for expected credit losses recognized in prior years.

6. Pricing Agreements, Hedging and Derivative Financial Instruments

Hedging Objectives

The Group's revenues are based on LME prices over which the Group has no influence or control. The volatilities in commodity prices expose the Group to risk impacting the results of its operations and cash inflows. To manage commodity price risk, the Group applies a mix of pricing agreements on both freestanding and embedded derivatives. The Group implements these mix of derivatives by diligently considering key elements affecting the trend of and prevailing commodity prices in support of the stability of its business plan. The underlying objective of implementing hedging transactions is to stabilize the results of operations and cash inflows and not as a means to generate gains or losses.

In 2025 and 2024, the Group, through CCC, entered into freestanding commodity swap agreements and provisional pricing arrangements. The Group has not designated any of these derivatives as accounting hedges. These derivatives are accounted for at fair value, with any changes in fair value recorded in the consolidated statements of comprehensive income.

The Group did not engage in freestanding commodity swap agreements in 2023. Accordingly, the Group had no outstanding derivative financial instruments related to commodity price risk as of that date.

Pricing Agreements

In the normal course of selling its copper concentrate, the Group enters into several contracts of purchase, whereby the Group agrees to sell a fixed volume of copper concentrate based on LME prices (as published in the Metal Bulletin) and as averaged over the QP.

The quality and quantity of the copper concentrate sold is determined through a sampling weight and assay analysis by an appointed independent surveyor. Under the contracts with one of its customers, CCC and its customer have the option to price-fix in advance of the QP the payable copper contents of the concentrate to be delivered, subject to adjustments during the QP. If the option to price-fix prior to the QP is exercised, (i) the fixed price and the volume to which the fixed price applies will be confirmed in writing by the parties, and (ii) an addendum to the contract of purchase will be executed to confirm the actual volume of the copper concentrate shipped based on the fixed price.

No price fixing was exercised in 2025, 2024 and 2023. The Group recognized copper concentrate sales amounting to ₱13,515,773, ₱15,826,944 and ₱17,174,795 in 2025, 2024 and 2023, respectively (see Note 20).

Embedded Derivatives

Provisional Pricing

Based on CCC's pricing agreements, the copper concentrate sales will be provisionally priced at shipment date subject to price and quantity adjustments at the end of the QP. Copper concentrate sales that were not subject to price fixing are assessed as having embedded derivatives that are not clearly and closely related, and once the commodities have been delivered, it must be bifurcated on the delivery date or once the shipment is considered sold (in case of bill-and-hold sales).

The Group, through CCC, recognized net unrealized fair value gain on provisionally-priced receivables amounting to ₱138,916 in 2025 and net unrealized fair value loss amounting to ₱20,213 and ₱11,168 in 2024 and 2023, respectively, on provisionally-priced receivables (Note 5).

Freestanding Derivatives

Commodity Swap Transactions

The Group, through CCC, entered into commodity swap transactions with Standard Chartered Bank and Mitsui Bussan Commodities Ltd. to help stabilize and support the business plan upon due consideration of the impact of the volatility of commodity rates.

In 2025, the Company entered into commodity swap transactions to fix the prices of copper and gas oil at specific levels per metric ton (MT) and per barrel, respectively. The total notional quantities are 3,200 metric tonnes and 7,000 metric tonnes for copper in 2025 and 2024, respectively, and 128,930 barrels and 37,734 barrels for gas oil in 2025 and 2024, respectively. The settlement dates for these transactions were set for five business days following the end of each calendar month, based on the official settlement price for copper and gas oil (seller).

The Group has derivative liabilities arising from commodity swap transactions amounting to ₱84,224 as at December 31, 2025. The Group has derivative assets arising from commodity swap transactions amounting to ₱87,620 as at December 31, 2024.

The derivatives of the Group represent the hedging component of shipments covered by the hedging agreement, but which remained unshipped as at year end, and the hedging component of gas, oil and copper concentrate purchases.

The Group recognized unrealized loss on derivatives from commodity swap transactions amounting to ₱82,387 in 2025 and unrealized gain amounting to ₱87,620 and nil in 2024 and 2023, respectively. The Group also recognized realized loss on derivatives from commodity swap transactions of ₱57,969 in 2025, and realized gain (loss) amounting to ₱312,204 and (₱63,246) in 2024 and 2023, respectively.

The Group recognized net gain (loss) amounting to (₱140,356), ₱399,824 and (₱63,246) in 2025, 2024 and 2023, respectively on its commodity swap transactions.

7. Inventories

This account consists of:

	2025	2024
At cost:		
Mine products		
Coarse ore	**₱11,050**	₱3,716
Fine ore	**877**	8,617
Copper Concentrate	**–**	5,348
	11,927	17,681
At lower of cost and NRV:		
Materials and supplies (net of allowance for inventory obsolescence of ₱700,721 and ₱678,195 as at December 31, 2025 and 2024, respectively)	**979,669**	1,035,842
	₱991,596	₱1,053,523

Mine Products
Mine products pertain to copper concentrate containing copper, gold and silver. The cost of mine products includes depreciation and depletion of property, plant and equipment amounting to ₱534 ₱233 and ₱8,346 as at December 31, 2025, 2024 and 2023, respectively (see Note 9).

Materials and Supplies
Materials and supplies consist of consumable items and spare parts. Materials and supplies with cost amounting to ₱700,721 and ₱678,195 as at December 31, 2025 and 2024, respectively, are fully provided with allowance for inventory obsolescence.

Movements of the allowance for inventory obsolescence are as follows:

	2025	2024	2023
Balances at beginning of year	**₱678,195**	₱644,898	₱742,768
Provision (Note 22)	**16,249**	22,865	–
Write-off	**–**	(4,441)	(95,373)
Cumulative translation adjustment	**6,277**	14,873	(2,497)
Balances at end of year	**₱700,721**	₱678,195	₱644,898

Additional provision amounting to ₱16,249, ₱22,865 and nil in 2025, 2024 and 2023, respectively, was recognized on inventory items assessed by management as obsolete, non-moving, expired and/or damaged.

The Group has written-off materials and supplies inventory amounting to nil, ₱4,441 and ₱95,373 in 2025, 2024 and 2023, respectively, which pertain to disposed mill liners, and inventories and spare parts for dump trucks that have been retired. The materials and supplies written off in 2024 and 2023 have related allowance for inventory loss recognized in prior years.

The cost of inventories recognized as expense amounted to ₱5,215,590, ₱6,121,988 and ₱5,007,783 in 2025, 2024 and 2023, respectively (see Notes 21 and 22).

The Group has no inventories pledged as security for liabilities as at December 31, 2025 and 2024. The Group also has no inventories carried at fair value less cost to sell as at December 31, 2025 and 2024.

8. Other Current Assets

This account consists of:

	2025	2024
Input VAT	**₱1,661,042**	₱1,492,755
Investment in pooled funds	**452,712**	333,736
Prepayments	**245,541**	69,651
Deposits and advances to suppliers	**39,249**	178,195
Creditable withholding taxes	**18,278**	17,229
Prepaid income tax	**–**	81,393
Others	**21,099**	29,203
	₱2,437,921	₱2,202,162

Investment in Pooled Funds

The Group invested in pooled funds for the purpose of earning interest and gains from the changes in the fair value of such funds. The Group recognized interest income on such funds amounting to ₱7,045, ₱3,759 and ₱2,096 in 2025, 2024 and 2023, respectively (see Note 28).

Investment in pooled funds is an investment of excess cash to maximize earnings. The pooling of funds is facilitated to provide a better return on the investments. Change in the fair value of investment in pooled funds amounting to ₱10,438, ₱12,926 and ₱13,743 in 2025, 2024 and 2023, respectively, is reported as unrealized gain in the consolidated statements of comprehensive income (see Note 28).

Movements in investments in pooled funds are as follows:

	2025	2024
Balances at beginning of year	**₱333,736**	₱345,051
Proceeds	**(38,800)**	(40,000)
Unrealized fair value gain (Note 28)	**10,438**	12,926
Additions	**140,293**	12,000
Interest income (Note 28)	**7,045**	3,759
Balances at end of year	**₱452,712**	₱333,736

Deposits and Advances to Suppliers

Deposits and advances to suppliers are non-financial assets arising mainly from advanced payments made by the Group to its suppliers and contractors before goods or services have been received or rendered.

The eventual realization of such advances is determined by the usage/realization of the asset to which it was advanced for. These are classified as current if such will be applied as payments for expenses and assets to be classified as inventories or current asset and are recognized in the books at amounts initially paid. Purchases from suppliers generally require advance payments equivalent to 10% to 80% of the contract price.

Amounts deposited will be applied as part of the full payment of the contract price upon completion of the contract. Other deposits and advances to suppliers in Note 13 were presented as non-current because these are expected to be applied as payments for assets to be classified as property, plant and equipment or other non-current assets.

Creditable Withholding Taxes and Prepaid Income Tax

CWTs are amounts withheld from income subject to expanded withholding taxes. CWTs can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation. CWTs and prepaid income tax which are claimed against the income tax due, represent excess of the tax payable and are carried over in the succeeding period for the same purpose.

Prepayments

Prepayments consist mainly of prepaid insurance, rent and advance payments on real property taxes and other expenses of the Group.

9. Property, Plant and Equipment

The composition of and movements of this account follow:

December 31, 2025:

	Mine Development Costs	Roadways and Bridges	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures	Construction In-progress	Right-of-use Asset	Total (at cost)	Land at Revalued Amount
Revalued amount/cost:										
Balances at beginning of year,	**₱39,987,063**	**₱424,193**	**₱3,180,873**	**₱31,295,821**	**₱413,936**	**₱8,653**	**₱524,639**	**₱11,514**	**₱75,846,692**	**₱1,376,962**
Change in estimate (Note 17)	**26,831**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**26,831**	**–**
Additions	**137,028**	**11,357**	**44,333**	**532,359**	**55,918**	**–**	**1,790,693**	**–**	**2.571.688–**	**–**
Retirements	**–**	**–**	**–**	**(1,561,370)**	**(18,297)**	**(1,680)**	**–**	**–**	**(1,581,347)**	**–**
Disposals	**–**	**–**	**–**	**(12,657)**	**(55,809)**	**–**	**–**	**–**	**(68,466)**	**–**
Reclassification	**–**	**–**	**–**	**1,905,552**	**–**	**–**	**(1,905,552)**	**–**	**–**	**–**
Cumulative translation adjustment	**496,039**	**8,259**	**57,752**	**499,618**	**6,372**	**–**	**(33,926)**	**–**	**1,034,114**	**474**
Balances at end of year	**40,646,961**	**443,809**	**3,282,958**	**32,659,323**	**402,120**	**6,973**	**375,854**	**11,514**	**77,829,512**	**1,377,436**
Accumulated depreciation, depletion and impairment:										
Balances at beginning of year	**19,430,294**	**328,052**	**2,666,403**	**20,198,131**	**279,923**	**6,119**	**–**	**7,868**	**42,916,790**	**–**
Depreciation and depletion (Notes 7, 21 and 22)	**2,007,595**	**13,873**	**199,371**	**2,485,331**	**53,623**	**–**	**–**	**2,303**	**4,762,096**	**–**
Retirements	**–**	**–**	**–**	**(1,540,150)**	**(17,602)**	**(1,680)**	**–**	**–**	**(1,559,432)**	**–**
Disposals	**–**	**–**	**–**	**(12,657)**	**(55,809)**	**–**	**–**	**–**	**(68,466)**	**–**
Cumulative translation adjustment	**194,392**	**6,997**	**53,794**	**344,603**	**5,363**	**12**	**–**	**–**	**605,161**	**–**
Balances at end of year	**21,632,281**	**348,922**	**2,919,568**	**21,475,258**	**265,498**	**4,451**	**–**	**10,171**	**46,656,149**	**–**
Net book values	**₱19,014,680**	**₱94,887**	**₱363,390**	**₱11,184,065**	**₱136,622**	**₱2,522**	**₱375,854**	**₱1,343**	**₱31,173,363**	**₱1,377,436**

December 31, 2024:

	Mine Development Costs	Roadways and Bridges	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures	Construction In-progress	Right-of-use Asset	Total (at cost)	Land at Revalued Amount
Revalued amount/cost:										
Balances at beginning of year,	₱38,024,116	₱385,280	₱3,080,920	₱27,288,928	₱383,532	₱8,606	₱633,402	₱11,514	₱69,816,298	₱1,375,720
Additions	210,651	17,881	1,188	3,405,500	29,085	–	–	–	3,664,305	–
Retirements	–	–	(190,025)	(642,669)	(19,372)	(56)	–	–	(852,122)	–
Change in estimate (Note 17)	11,238	–	–	–	–	–	–	–	11,238	–
Disposals	–	–	–	(91,369)	–	–	–	–	(91,369)	–
Reclassification	–	–	135,764	–	–	–	(135,764)	–	–	–
Cumulative translation adjustment	1,741,058	21,032	153,026	1,335,431	20,691	103	27,001	–	3,298,342	1,242
Balances at end of year	39,987,063	424,193	3,180,873	31,295,821	413,936	8,653	524,639	11,514	75,846,692	1,376,962
Accumulated depreciation, depletion and impairment:										
Balances at beginning of year	16,232,825	298,018	2,534,475	17,615,615	236,099	6,061	–	5,565	36,928,658	–
Depreciation and depletion (Notes 7, 21 and 22)	2,435,928	12,951	192,801	2,411,398	48,870	–	–	2,303	5,104,251	–
Retirements	–	–	(190,025)	(631,030)	(19,260)	(56)	–	–	(840,371)	–
Disposals	–	–	–	(91,257)	–	–	–	–	(91,257)	–
Cumulative translation adjustment	761,541	17,083	129,152	893,405	14,214	114	–	–	1,815,509	–
Balances at end of year	19,430,294	328,052	2,666,403	20,198,131	279,923	6,119	–	7,868	42,916,790	–
Net book values	₱20,556,769	₱96,141	₱514,470	₱11,097,690	₱134,013	₱2,534	₱524,639	₱3,646	₱32,929,902	₱1,376,962

Construction in-progress includes cost of various projects at different stages of completion and are expected to be completed within one year as at December 31, 2025 and 2024.

Mine development costs consist of the following:

December 31, 2025:

	Mining Properties	Development Costs	Mine Rehabilitation Costs	Total
Cost:				
Balances at beginning of year	**₱1,471,799**	**₱38,499,810**	**₱15,454**	**₱39,987,063**
Additions	**–**	**137,028**	**–**	**137,028**
Retirements	**–**	**–**	**–**	**–**
Change in estimate (Note 17)	**–**	**–**	**26,831**	**26,831**
Adjustment	**–**	**–**	**–**	**–**
Cumulative translation adjustment	**25,150**	**467,224**	**851**	**496,039**
Balances at end of year	**1,496,949**	**39,104,062**	**43,136**	**40,646,961**
Accumulated depletion:				
Balances at beginning of year	**550,106**	**18,879,420**	**768**	**19,430,294**
Depletion	**42,454**	**1,964,464**	**677**	**2,007,595**
Retirements	**–**	**–**	**–**	**–**
Adjustment	**–**	**–**	**–**	**–**
Cumulative translation adjustment	**11,042**	**180,211**	**28**	**194,392**
Balances at end of year	**603,602**	**21,024,392**	**1,473**	**21,632,281**
Net book values	**₱893,347**	**₱18,079,670**	**₱41,663**	**₱19,014,680**

December 31, 2024:

	Mining Properties	Development Costs	Mine Rehabilitation Costs	Total
Cost:				
Balances at beginning of year	₱1,405,931	₱36,614,255	₱3,930	₱38,024,116
Additions	–	210,651	–	210,651
Change in estimate (Note 17)	–	–	11,238	11,238
Cumulative translation adjustment	65,868	1,674,904	286	1,741,058
Balances at end of year	1,471,799	38,499,810	15,454	39,987,063
Accumulated depletion:				
Balances at beginning of year	475,555	15,756,936	334	16,232,825
Depletion	49,769	2,385,744	415	2,435,928
Cumulative translation adjustment	24,782	736,740	19	761,541
Balances at end of year	550,106	18,879,420	768	19,430,294
Net book values	₱921,693	₱19,620,390	₱14,686	₱20,556,769

Revaluation Increment on Land at Revalued Amount
The fair value of the parcels of land were arrived using the market data approach which is under the level 3 of the fair value hierarchy. The market data approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. This approach was used for the parcels of land as it is commonly used in the property market because the inputs and data for this approach are available. Under the market data approach, the higher the price per square meter, the higher the fair value of the parcels of land is. Price per square meter, which is the significant unobservable valuation input, ranges from ₱5 per sqm to ₱5,800 per sqm (amounts not in thousands).

The fair value of the parcels of land as at December 31, 2025 and 2024 amounted to ₱1,377,436 and ₱1,376,962, respectively. The fair value of land is based on the latest valuation available which was obtained by the Group in 2023. The increase in the valuation of land recognized by the Group in 2023 amounting to ₱643,243, net of the related deferred tax liability, is presented as revaluation increment on land.

No changes in the fair value of land were recorded as at December 31, 2025. The revaluation increment on land, net of deferred tax liability amounts to ₱321,153, recognized in the Group's statements of financial position amounted to ₱963,460 as at December 31, 2025 and 2024.

The carrying amount of the land had it been carried using the cost model is ₱92,823 and ₱92,349, as at December 31, 2025 and 2024, respectively.

Fully Depreciated Property, Plant and Equipment
Fully depreciated property, plant and equipment still used by the Group amounted to ₱13,555,990 and ₱13,143,007 as at December 31, 2025 and 2024, respectively. These are retained in the Group's records until these are disposed. No further depreciation is charged to current operations for these items.

Disposals
The Group sold items of property, plant and equipment in 2025, 2024 and 2023 with cost amounting to ₱68,466, ₱91,369 and ₱19,185, respectively and corresponding accumulated depreciation of ₱68,466, ₱91,257 and ₱19,160, respectively. Proceeds from the disposals in 2025, 2024 and 2023 amounted to ₱1,343, nil and ₱517, respectively, the Group recognized gain in 2025 and 2023 amounting to ₱1,343 and ₱492, respectively and recognize loss amounting to ₱112 in 2024 on the disposal of items of property, plant and equipment (see Note 28).

Retirements
Total cost of property and equipment retired in 2025, 2024 and 2023 amounted to ₱1,581,347, ₱852,122 and ₱325,220, respectively, with corresponding accumulated depreciation of ₱1,559,432, ₱840,371 and ₱324,140, respectively. The said retirements resulted in losses amounting to ₱21,916, ₱11,751 and ₱1,080 in 2025, 2024 and 2023, respectively (see Note 28).

Impairment Loss
No provision for impairment losses on property plant and equipment was recognized in 2025, 2024 and 2023.

Collaterals
The Group has no property, plant and equipment were pledged or mortgaged as collaterals for borrowings of the Group amounted as at December 31, 2025, 2024 and 2023 (see Note 16).

Commitments
The Group has capital expenditure commitments amounting to ₱75,627 and ₱386,395 as at December 31, 2025 and 2024, respectively.

Depreciation, and Depletion
The allocation of depreciation and depletion is as follows:

	2025	2024	2023
Inventories (Note 7)	**₱534**	₱233	₱8,346
Mining and milling costs (Note 21)	**4,669,914**	5,055,818	4,286,919
General and administrative expenses (Note 22)	**91,648**	48,280	39,150
	₱4,762,096	₱5,104,331	₱4,334,415

10. Mining Rights and Goodwill

Mining Rights

	2025	2024	2023
Balances at beginning of year	**₱6,324,383**	₱6,666,209	₱6,950,866
Depletion	**(293,086)**	(341,826)	(284,657)
Balances at end of year	**₱6,031,297**	₱6,324,383	₱6,666,209

The Group recognized the related reversal of deferred tax liability arising from the depletion of mining rights amounting to ₱73,271, ₱85,456 and ₱71,164 in 2025, 2024 and 2023, respectively (see Note 26).

Goodwill
The carrying amount of goodwill includes:

Balance as at December 31, 2025 and 2024:	
CCC	₱19,011,108
AHI	15,011
	₱19,026,119

Key Assumptions Used in the Value-in-Use Calculations of CCC and the Sensitivity to Changes in Assumptions

The Group performed its annual impairment test as at December 31, 2025. The cash-generating unit is concluded to be the assets attributable to CCC, including goodwill, mining rights, and property, plant and equipment.

The recoverable amount of the cash-generating unit has been determined based on a discounted cash flows (DCF) calculation using cash flow projections from financial budgets approved by senior management and BOD.

The projected cash flows have been developed to reflect the expected mine production over the life of the mine adjusted by the effects of other factors such as inflation rate. The pre-tax discount rate applied to cash flow projections as at December 31, 2025 is 13.16%. As a result of this analysis, management concluded that the goodwill is not impaired.

The calculation of DCF and cash-generating unit is most sensitive to the following assumptions:

a. Expected life of the project
b. Future production levels and costs
c. Contributions to the government
d. Copper and gold prices
e. Long-term revenue growth rate
f. Pre-tax discount rate

a. Expected Life of the Project
The Group projected the expected life of the project based on the remaining mineral reserves of the project and its capacity to mine those remaining mineral reserves.

The remaining mineral reserves are based on the updated mineral resources and mineral reserves estimates report, issued by an accredited competent person, prepared in accordance with the JORC Code which the Group adopted to comply with the 2020 PMRC.

b. Future Production Levels and Costs
Future production levels and costs include direct and indirect costs used to concentrate the mined mineral reserves for the remaining life of the mine.

c. Contributions to the Government
The Group assumes the prevailing tax rates imposed on an entity that is engaged in mining operations.

d. Copper and Gold Prices
The Group considers the effect of commodity price changes. The Group considered the possible effect of the changes in the prices of copper and gold as it relates to the revenues that may be generated by the Group and the attainment of the cash flow projections. The Group used data from Bloomberg, a leading global financial information, analytics, and news service provider. The price is the function of a number of factors, which includes, among others, copper grade, gold content, moisture content, smelting and refining terms, and applicable factor rates.

Management also performs sensitivity analyses to assess how changes in key assumptions, particularly commodity prices, may impact the recoverable amount and determine whether any potential impairment may arise.

e. Long-term Revenue Growth Rate
The Group's long-term revenue growth rate is 3.60% and 3.80% has at December 31, 2025 and 2024, respectively.

f. Pre-tax Discount Rate
Discount rate represents the current market assessment of the risks specific to cash-generating unit, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments, and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Specific risk is incorporated by applying individual beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in

the specific amount and timing of the future tax flows in order to reflect a pre-discount rate. The pre-tax discount rates used by the Group are 13.16% and 12.32% as at December 31, 2025 and 2024, respectively.

No impairment loss on goodwill was recognized in 2025, 2024 and 2023.

11. Deferred Mine Exploration Costs

	2025	2024
Balances at beginning of year	**₱200,257**	₱192,403
Cumulative translation adjustment	**2,998**	7,854
Balances at end of year	**₱203,255**	₱200,257

Deferred mine exploration costs include costs incurred during the evaluation and exploration of projects of the Parent Company and CCC.

On March 17, 2021, a deed of assignment was executed by and between South Davao Development Company, Inc. (SDDCI) and CCC, wherein SDDCI assigned to CCC all its rights and interests under Mineral Production Sharing Agreement (MPSA) No. 321-2010-XII for the exploration, development and commercial utilization of gold, copper and other associated mineral deposits existing within the area covered by the MPSA for a consideration amounting to ₱150.0 million. The MPSA covers an area situated in the municipalities of Tampakan, province of South Cotabato, and Columbio, province of Sultan Kudarat.

No provision for impairment loss on the deferred mine exploration costs were recognized in 2025, 2024 and 2023.

12. Investments in Associates

The Group has the following investments in associates (collectively called the Nickel Corporations), which are domiciled in the Philippines:

Company	Principal Activities
TMM Management, Inc. (TMI)	Management Services
Ulugan Resources Holdings, Inc. (URHI)	Holding Company
Ulugan Nickel Corporation (UNC)	Mining
Nickeline Resources Holdings, Inc. (NRHI)	Holding Company
BNC	Mining

The remaining ownership of the above associates is owned by the combined interests of Toledo Mining Corporation (TMC) and DMCI Mining Corporation (DMCI), a third party.

In June 2014, the voting rights held by the Group were assigned to the representative of DMCI and the management team from DMCI assumed key positions in the said entities. Further, on July 11, 2014, a Memorandum of Agreement (MOA) was entered between TMC and the Group, which sets out the material terms under which the parties have agreed to hold their respective investments in respect of the exploration, development and utilization of Berong Mineral Properties (mining tenements or MPSA applications underlying the Berong Nickel Project necessary for operations) defined in the agreement dated January 9, 2005. The said MOA sets out the rights of

each of the Group and TMC including the assignment of board seats, majority of which were assigned to TMC, and delegation to TMC of the operations and critical decision-making in running the mining operations. Due to these factors, the above entities were accounted for as associates, instead of subsidiaries. Consequently, the Group deconsolidated the above entities in 2014.

As at December 31, 2025 and 2024, the percentages of ownership of investment in associates are as follows:

a.) TMI	60.00%	direct interest
b.) URHI	70.00%	direct interest
c.) UNC	42.00%*	effective interest
d.) NRHI	42.00%*	effective interest
e.) BNC	25.20%*	effective interest

**URHI owns 60% of UNC and NRHI. NRHI owns 60% of BNC.*

As at December 31, 2025, 2024 and 2023, the movements in investments in associates account are as follows:

	2025	2024	2023
Balances at beginning of year	**₱267,185**	₱297,302	₱331,121
Share in net loss	**(45,185)**	(30,117)	(33,819)
Balances at end of year	**₱222,000**	₱267,185	₱297,302

No dividends were received by the Group in 2025 and 2024, respectively. The Group received dividends from associates amounting to ₱16,710 in 2023, which pertain to dividends declared in 2022.

The associates prepare financial statements for the same financial reporting period as the Parent Company.

Summarized combined financial information of the investments in associates as at December 31, 2025 and 2024, which are accounted for under the equity method, follow:

	2025	2024
Current assets	**₱362,769**	₱212,202
Non-current assets	**1,535,272**	1,088,176
Total assets	**1,898,041**	1,300,378
Current liabilities	**1,643,420**	901,241
Non-current liabilities	**69,513**	34,618
Total liabilities	**1,712,933**	935,859
Net assets	**₱185,108**	₱364,519
Net loss	**(₱162,731)**	(₱119,869)
Other comprehensive income	**16,425**	2,100
Total comprehensive loss	**(₱146,306)**	(₱117,769)

13. **Other Non-current Assets**

This account consists of:

	2025	2024
Input VAT – net of current portion (net of allowance for impairment losses of ₱802,922 and ₱447,672 as at December 31, 2025 and 2024, respectively)	**₱2,241,346**	₱2,604,079
MRF	**99,586**	95,941
Deposits and advances to suppliers	**47,285**	53,776
Investment in UITF	**37,134**	35,292
Refundable deposits	**3,270**	3,254
Social Development and Management Program (SDMP) fund	**–**	68,557
Others	**9,645**	9,559
	₱2,438,266	₱2,870,458

Input VAT
Input VAT represents the VAT imposed on the Group by its suppliers for the acquisition of goods and services as required by Philippine taxation laws and regulations. The input VAT is recognized as an asset and will be used to offset against the Group's current output VAT liabilities and any excess can be claimed as tax refunds.

The Group, through CCC, was able to claim refunds from the Bureau of Internal Revenue (BIR) amounting to ₱501,473, ₱160,543 and ₱186,074 in 2025, 2024 and 2023, respectively.

Movements of the allowance for impairment losses on input VAT are as follows:

	2025	2024	2023
Balances at beginning of year	**₱447,672**	₱409,565	₱412,395
Provision (Note 28)	**395,633**	26,606	21
Write-off	**(55,283)**	(6,952)	–
Cumulative translation adjustment	**14,900**	18,453	(2,851)
Balances at end of year	**₱802,922**	₱447,672	₱409,565

Provision for impairment losses pertain mainly to input VAT that have been disallowed by the BIR, Court of Tax Appeals and Supreme Court.

Deposits and Advances to Suppliers
The deposits and advances are classified as non-current if such will be applied as payment for assets to be classified as property, plant and equipment or other noncurrent assets.

MRF
MRF pertains to rehabilitation trust funds that the Group is required by regulations to establish and maintain to cover rehabilitation obligations obligation upon closure of the mine and to ensure payment of compensable damages that may be caused by mine waste. The rehabilitation trust funds are held in government depository banks.

Interest income earned from MRF amounted to ₱3, ₱2 and ₱5 in 2025, 2024 and 2023, respectively (see Note 27).

SDMP Fund
SDMP fund pertains to the deposits for the unexpended budget for the Group's SDMP initiatives.

Interest income earned from SDMP fund amounted to ₱11, ₱23 and ₱9 in 2025, 2024 and 2023, respectively (see Note 27).

Investment in UITF
On January 26, 2018, CCC entered into a Transmission Service Agreement with National Grid Power Corporation (NGPC). This required CCC to provide credit support to NGPC through the opening of a bank account assignable to NGPC. On July 11, 2018, CCC instructed Banco de Oro (BDO) to debit from CCC's current account the amount of ₱28,126 and to invest the said amount to a UITF. The UITF is then assigned to NGPC as basic security deposit. The Group assessed that the investment in UITF is not for contractual cash inflows and that no interest will be collected, given that fair value changes are expected to arise from movements of the net asset value per unit.

As at December 31, 2025 and 2024, the investment in UITF, which have been measured at fair value, amounted to ₱37,134 and ₱35,292, respectively.

Movements of the investment in UITF are as follows:

	2025	2024	2023
Balances at beginning of year	**₱35,292**	₱32,571	₱31,576
Unrealized fair value gain (Note 28)	**1,238**	1,253	1,219
Cumulative translation adjustment	**604**	1,468	(224)
Balances at end of year	**₱37,134**	₱35,292	₱32,571

Refundable Deposits
Refundable deposits pertain to amounts paid by the Group as security deposit to various contractors which shall be refunded after the performance/delivery of services/goods.

Others
Others consist mainly of advances for the Longos and Nesbitan Gold Projects, which were used for field supplies and other costs during exploration and evaluation phase of the said projects. Others also include other assets of the Group which are considered individually insignificant in amount.

14. Accounts Payable and Accrued Liabilities

This account consists of:

	2025	2024
Trade	**₱1,881,054**	₱3,016,013
Accrued expenses		
Services	**107,845**	116,788
Coal	**87,994**	74,458
Personnel	**41,640**	39,245
Rental	**35,900**	15,696

(Forward)

	2025	2024
Power and other utilities	**₱23,865**	₱26,631
Others	**45,276**	120,730
Non-trade	**265,346**	151,435
Government payables	**201,118**	167,094
Interest (Note 16)	**85,568**	86,341
	₱2,775,606	₱3,814,431

Trade
Trade payables include import and local purchases of equipment, inventories and various parts and supplies used in the operations of the Group. These are non-interest bearing payables to various suppliers and are normally settled on terms ranging from 30 to 90 days.

The significant downward movement in trade payables is mainly due to the settlement of installment obligations arising from major equipment acquisitions. During the year, the CCC settled substantial portions of its outstanding payables to key suppliers, including Maxima Machineries Inc., Monark Equipment Corporation, Marubeni Corporation, and Stonebrothers Inc.

Interest
Interest pertains to accrued interest on long-term debts.

Government Payables
Government payables consist of mandatory contributions and payments to various government agencies and instrumentalities, withholding tax payable, excise tax payable, and customs duties, which are non-interest bearing and are usually settled within the next month following the month of incurrence.

Non-trade and Other Accrued Expenses
Other accrued expenses include unclaimed termination benefits of former Parent Company employees before the temporary suspension of operations in prior years and other payables related to insurance, contracted services and professional fees. These also include miscellaneous noninterest-bearing payables.

15. **Leases**

Group as a lessee
The Group has lease contracts for office and parking spaces, and machinery and other equipment used in its operations. Leases of office spaces generally have lease terms between three and 10 years, while leases machinery and other equipment generally have lease terms between three and five years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options, which are further discussed below.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of low-value office equipment. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. The Group also has leases covering parcels of land with variable payments not based on an index or rate, which are recognized as part of general and administrative expenses.

The following are the amounts recognized in consolidated statements of comprehensive income:

	2025	2024	2023
Expenses relating to leases of low-value assets, short-term leases and leases with variable payments, included in general and administrative expenses (Note 22)	**₱141,107**	₱205,838	₱176,835
Depreciation expense of right-of-use assets included in property and equipment (Note 9)	**2,303**	2,303	2,303
Interest expense on lease liability (Note 27)	**204**	411	591
Total amount recognized in consolidated statement of comprehensive income	**₱143,614**	₱208,552	₱179,729

The roll forward analysis of the lease liability follows:

	2025	2024
Balances at beginning of year	**₱3,753**	₱6,160
Interest expense (Note 27)	**204**	411
Payments	**(2,959)**	(2,818)
Balances at end of year	**998**	3,753
Less non-current portion	**–**	1,601
	₱998	₱2,152

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Shown below is the maturity analysis of the undiscounted lease payments:

	2025	2024
One year	**₱1,015**	₱2,356
More than one year up to four years	**–**	1,015

16. Long-term Debts

The Group's long-term debts as at December 31, 2025 and 2024 are as follows:

	2025	2024
China Banking Corporation (CBC) Term Loan 2021	**₱9,813,263**	₱10,942,645
Banco De Oro Unibank, Inc Term Loan 2021	**6,342,931**	6,235,363
	16,156,194	17,178,008
Less non-current portion	**–**	15,882,280
	₱16,156,194	₱1,295,728

The maturities of long-term debts at nominal values follow:

	2025	2024
Due in:		
2025	**₱–**	₱1,295,728
2026	**16,156,194**	15,882,280
	₱16,156,194	₱17,178,008

1. CBC Term Loan 2021

   On November 4, 2021, CCC entered into a term loan agreement with CBC which granted CCC a loan facility with an aggregate amount of US$420.0 million at an interest rate of 3.75% per annum payable every quarter. The loan is payable within five years from the date of the first drawdown. The proceeds from the loan facility shall be exclusively used by CCC to refinance its existing loans with its shareholders and banks. The loan is not covered by any guarantee or collateral.

   First Drawdown from CBC Loan Facility

   On November 8, 2021, CCC has drawn from the loan facility a total amount of US$174.6 million (CBC Note 1), which will mature on November 8, 2026, and was used to fully settle its loans from CBC, Anglo Philippine Holdings Corporation(APHC) and Alakor Corporation (Alakor), and partially settle its BDO loan. CCC recognized debt issue cost amounting to ₱66,806.

   The interest expense recognized on CBC Note 1, excluding amortization of debt issue costs, amounted to ₱307,688, ₱316,846 and ₱311,022 in 2025, 2024 and 2023, respectively (see Note 27). Amortization of debt issue costs amounted to ₱7,406, ₱7,546, and ₱9,043 in 2025, 2024 and 2023, respectively (see Note 27). The total interest payable amounted to ₱44,908 and ₱47,720 as at December 31, 2025 and 2024, respectively (see Note 14).

   The movements in unamortized debt issue cost of CBC Note 1 follow:

	2025	2024
Balances at beginning of year	**₱9,994**	₱16,405
Amortization (Note 27)	**(7,406)**	(7,546)
Cumulative translation adjustment	**669**	1,135
Balances at end of year	**₱3,257**	₱9,994

   The carrying value of CBC Note 1 amounted to ₱8,270,002 and ₱9,222,056, net of unamortized debt issue cost amounting to ₱3,257 and ₱9,994, as at December 31, 2025 and 2024, respectively.

   Accession and Amendment Agreement

   On December 13, 2021, CCC entered into an accession and amendment agreement with BDO and CBC related to the term loan agreement with the latter entered on November 4, 2021. As stated in the accession and amendment agreement, BDO in the term loan agreement as lender and granted to CCC an aggregate principal amount of up to US$185.0 million while CBC intends to make available to CCC the remaining portion of the loan facility in an aggregate amount of up to US$235.0 million.

   Second Drawdown from CBC Loan Facility

   On March 14, 2022, the Company has additionally drawn from the loan facility CBC form of note amounting to US$29.8 million (CBC Note 2), which will mature on November 26, 2026. CCC recognized debt issue cost amounting to ₱12,453.

Second Amendment Agreement
On February 14, 2024, the Company, BDO and CBC entered into second amendment agreement thereby amending further the term loan agreement, in particular the provisions on repayment, voluntary payment and the manner of sharing of payments and actions by BDO and CBC. As stated in the second amendment agreement, the section for repayment and voluntary prepayment of the term loan agreement was deleted in its entirety thereby extending the maturity of the outstanding principal balance to year 2026. The parties also agreed to amend the sharing of payments of each lender. As at the date of second amendment, the outstanding principal under the CBC and BDO loan facilities amounted to $189.4 million and $108.0 million, respectively.

The interest expense recognized on CBC Note 2, excluding the amortization of debt issue costs, amounted to ₱59,234, ₱59,160 and ₱57,302 in 2025, 2024 and 2023, respectively (see Note 27). The amortization of debt issue cost recognized amounted to ₱1,877, ₱1,748 and ₱1,697 in 2025, 2024 and 2023, respectively (see Note 27). The total interest payable amounted to ₱8,793 and ₱7,267 as at December 31, 2025 and 2024, respectively (see Note 14).

The movements in unamortized debt issue cost for CBC Note 2 follow:

	2025	2024
Balances at beginning of year	**₱3,205**	₱4,659
Amortization (Note 27)	**(1,877)**	(1,748)
Cumulative translation adjustment	**81**	294
Balances at end of year	**₱1,409**	₱3,205

The carrying value of CBC Note 2 amounted to ₱1,543,261 and ₱₱1,720,589, net of unamortized debt issue cost amounting to ₱1,409 and ₱3,205, as at December 31, 2025 and 2024, respectively.
Covenants
The term loan agreement with CBC imposes certain restrictions and requirements with respect to, among others, the following:

- Indebtedness – CCC shall not contract, create, incur, assume or suffer to exist any indebtedness from banks and other financial institutions other than permitted indebtedness, provided that any such incremental permitted indebtedness shall not at any time result to a Debt-to-Equity Ratio of more than 1.5. Debt to Equity Ratio is total debt divided by total equity.

- Total Equity – CCC shall maintain at all times a total equity of at least US$300.0 million.

CCC complied with these requirements as at December 31, 2025 and 2024.

2. BDO Term Loan 2021
Accession and Amendment Agreement from CBC Term Loan 2021
On December 13, 2021, CCC entered into an accession and amendment agreement with BDO and CBC related to the term loan agreement with the latter entered on November 4, 2021, which granted CCC a loan facility with an aggregate amount of US$420.0 million at an interest rate of 3.75% per annum payable every quarter. As stated in the accession and amendment agreement, BDO participated in the term loan agreement as lender and granted to CCC an aggregate principal amount of up to US$185.0 million while CBC intends to make available to CCC the remaining portion of the loan facility in an aggregate amount of up to US$235.0 million.

First Drawdown from BDO Loan Facility
On March 14, 2022, CCC has drawn from the BDO term loan facility a total of US$58.0 million (BDO Note 1), which will mature on November 6, 2026. CCC recognized debt issue cost amounting to ₱23,693.

The interest expense recognized on BDO Note 1, excluding the amortization of debt issue costs, amounted to ₱115,287, ₱115,144 and ₱111,527 in 2025, 2024 and 2023, respectively (see Note 27). The amortization of debt issue cost recognized amounted to ₱3,022, ₱2,913and ₱2,834 in 2025, 2024 and 2023, respectively (see Note 27). The total interest payable amounted to ₱17,114 and ₱16,839 as at December 31, 2025 and 2024, respectively (see Note 14).

The movements in unamortized debt issue cost for BDO Note 1 follow:

	2025	2024
Balances at beginning of year	**₱6,555**	₱9,511
Amortization (Note 27)	**(3,022)**	(2,913)
Cumulative translation adjustment	**552**	(43)
Balances at end of year	**₱4,085**	₱6,555

The carrying value of BDO Note 1 amounted to ₱3,405,735 and ₱3,348,455 net of unamortized debt issue cost amounting to ₱4,085 and ₱6,555, as at December 31, 2025 and 2024, respectively.

Second Drawdown from BDO Loan Facility
On April 29, 2022, CCC has drawn from the BDO term loan facility a total of US$50.0 million (BDO Note 2), which will mature on November 6, 2026. CCC recognized debt issue cost amounting to ₱20,393.

The interest expense recognized on BDO Note 2, excluding the amortization of debt issue costs, amounted to ₱99,386 , ₱99,263 and ₱96,144 in 2025, 2024 and 2023, respectively. The amortization of debt issue cost recognized amounted to ₱3,385, ₱3,262 and ₱3,174, respectively (see Note 27).

The total interest payable amounted to ₱14,753 and ₱14,515 as at December 31, 2025 and 2024, respectively (see Note 14).

The movements in unamortized debt issue cost for BDO Note 2 follow:

	2025	2024
Balances at beginning of year	**₱5,342**	₱8,704
Amortization (Note 27)	**(3,385)**	(3,262)
Cumulative translation adjustment	**347**	(100)
Balances at end of year	**₱2,304**	₱5,342

The carrying value of BDO Note 2 amounted to ₱2,937,196 and ₱2,886,908, net of unamortized debt issue cost amounting to ₱2,304 and ₱5,342, as at December 31, 2025 and 2024, respectively.

Presented below is the summary of interest expense recognized on long-term debts (see Note 27):

	2025	2024	2023
CBC Term Loan 2021			
CBC Note 1	**₱307,688**	₱316,846	₱311,022
CBC Note 2	**59,234**	59,160	57,302
BDO Term Loan 2021			
BDO Note 1	**115,287**	115,144	111,527
BDO Note 2	**99,386**	99,263	96,144
	₱581,595	₱590,413	₱575,995

Presented below is the summary of amortization of debt issue costs recognized on long-term debts (see Note 27):

	2025	2024	2023
CBC Term Loan 2021			
CBC Note 1	**₱7,406**	₱7,546	₱9,043
CBC Note 2	**1,877**	1,748	1,697
BDO Term Loan 2021			
BDO Note 2	**3,385**	3,262	3,174
BDO Note 1	**3,022**	2,913	2,834
	₱15,690	₱15,469	₱16,748

Presented below is the summary of interest payable on long-term debts (see Note 14):

	2025	2024
CBC Form of Note 1	**₱44,908**	₱47,720
CBC Form of Note 2	**8,793**	7,267
BDO Form of Note 1	**17,114**	16,839
BDO Form of Note 2	**14,753**	14,515
Balances at end of year	**₱85,568**	₱86,341

17. Liability for Mine Rehabilitation

Movements in the liability for mine rehabilitation are as follows:

	2025	2024	2023
Balances at beginning of year	**₱84,658**	₱70,979	₱64,793
Accretion of interest (Note 27)	**2,203**	2,326	2,265
Change in accounting estimate (Note 9)	**26,831**	11,238	3,948
Cumulative translation adjustment	**601**	115	(27)
Balances at end of year	**₱114,293**	₱84,658	₱70,979

In 2025 and 2024, the estimated discounted future cash flows of CCC's Final Mine Rehabilitation and Decommissioning Plan were updated to reflect forecasted changes in projected costs inflation and discount rates.

Discount rates used by the Group in determining the present value of the future rehabilitation costs are 6.41% and 5.98% as at December 31, 2025 and 2024, respectively.

18. Equity

a. Capital Stock

The table below presents the details of the Parent Company's authorized and issued and outstanding capital stock as at December 31, 2025 and 2024:

	No. of shares	Amount
Authorized (₱1 par value)	8,890,000,000	₱8,890,000
Issued	2,087,032,774	2,087,033
Subscribed	1,472,500,000	1,472,500
Total shares issued and subscribed	3,559,532,774	₱3,559,533

Increase in Authorized Capital Stock and Stock Subscriptions

In 2017, the Parent Company's BOD and shareholders approved the increase in authorized capital stock (ACS) of the Parent Company from ₱3,000,000 to ₱8,890,000, divided into 8,890,000,000 common shares with a par value of ₱1 per share, thereby amending its articles of incorporation. In addition, the Parent Company secured from the minority shareholders a waiver of the requirement to the conduct of public or rights offering of the shares subscribed out of the increase in the ACS. A majority vote representing the outstanding shares held by minority shareholders present or represented by proxies granted the said waiver.

Pursuant to the increase in ACS, the Parent Company entered into Stock Subscription Agreements, with subscription price of ₱4.3842 per share, with the following shareholders:

Subscriber	No. of shares subscribed	Total subscription price	Par value amount	Additional paid-in capital	Subscription receivable
SM Investments Corporation (SMIC)	598,049,708	₱2,621,970	₱598,050	₱2,016,098	₱1,966,477
APHC	845,000,292	3,704,650	845,000	2,848,597	2,778,488
Alakor	29,450,000	129,115	29,450	99,279	96,836
	1,472,500,000	₱6,455,735	₱1,472,500	₱4,963,974	₱4,841,801

The subscription price of ₱4.3842 per share is based on the 90-day volume weighted average price (VWAP) preceding the pricing date, November 16, 2016. In 2017, a portion of the subscriptions were paid in cash amounting to ₱1,613,934.

Transaction costs on the issuance of shares amounting to ₱19,261, were accounted for as a deduction from additional paid-in capital, which include registration and regulatory fees and stamp duties.

The dividend, voting and preemption rights of the subscribed shares are the same with the rights being enjoyed by the current shareholders. The subscribed shares will not have any effect upon the rights of the existing shareholders.

On November 17, 2017, the Philippine Securities Exchange Commission (SEC) approved the Parent Company's application to increase its ACS and amendment of its articles of incorporation.

The increase in the ACS was undertaken for the Parent Company to have sufficient unissued shares of stock to issue the Warrants and the Underlying Common Shares, as a result of the exercise of the warrants, and provide the Parent Company flexibility to raise fresh funds. With available and sufficient unissued capital stock, the Parent Company will have the capability for any future capital initiative.

As at December 31, 2025 and 2024, the Parent Company is compliant with the minimum public float as required by the PSE.

2016

Reduction in Par Value and Decrease in Authorized Capital Stock

In 2016, the Parent Company's BOD and shareholders approved the change in the par value of common shares from ₱8 per share, with ACS of ₱24,000,000, divided into 3,000,000,000 common shares, to ₱1 per share, with ACS of ₱3,000,000 divided into 3,000,000,000 common shares.

The lower par value of ₱1 per share would allow the Parent Company to raise fresh funds through primary shares issuance, if needed. The decrease in ACS and par value reduction resulted in additional paid-in capital of ₱14,609,229. The SEC approved the reduction in par value and capital stock on June 29, 2016.

b. Warrants Issue

On February 21, 2017, the shareholders approved the issuance of approximately 5.6 billion Warrants and the corresponding 5.6 billion underlying common shares for the refinancing of the US$300.0 million bonds of CCC as well as the Parent Company's shareholders' advances to a subordinated loan with warrants.

The Warrants shall be issued by the Parent Company to its major shareholders or their assigns, among others. As at December 31, 2025, no warrants yet were issued by the Parent Company as the related application with the SEC has not yet been filed.

The following are the salient features, terms and conditions, and other relevant information of the Warrants Issue:

- The number of warrants to be issued to the Parent Company's major shareholders is approximately 5.6 billion, subject to the exchange rate on the date all regulatory approvals are secured and full compliance with all legal laws, rules and regulations for the issuance of warrants.

- Entitlement ratio is one common stock to one warrant; thus the corresponding number of underlying securities is approximately 5.6 billion common shares. Exercise period of the warrants shall be from and including the date of issue of the warrants up to 5:00 p.m. on the day immediately preceding the date of the 7th anniversary of the date of issue of the warrants. Expiry date is the 7th anniversary of the date of the issue of the warrants.

- The basis of determining the exercise price of ₱4.3842 is the 90-day VWAP preceding the pricing date, November 16, 2016.

- Timetable for the issuance of the warrants will be upon obtaining the following: (i) shareholders' approval to the increase in the ACS and amendment to Article VII of the Parent Company's articles of incorporation (AOI); (ii) SEC approval of the increase in ACS and amendment to AOI, and (iii) other regulatory approvals and compliance with all legal requirements.

- The warrants constitute direct, unsecured and unsubordinated obligations of the Parent Company, and will at all times rank *pari passu* without preference among themselves and with all other outstanding unsecured and unsubordinated obligations of the Parent Company, past and future.

- Exercise of the warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date.

- Warrants are exercisable on any business day during the exercise period.

- The Parent Company may, but is not obligated, at any time to purchase the warrants at any price.

- The Parent Company may modify the terms and conditions without the consent of the warrant holders which the Parent Company may deem necessary or desirable provided the modification is not materially prejudicial to the interests of the warrant holders.

- If any event occurs which would reasonably be expected to have an effect on the exercise price, upon written opinion of an independent investment bank, adjustments shall be made as appropriate on account of such event.

Cancellation of the Authority to Issue Warrants
On January 23, 2026, the Parent Company's BOD approved the cancellation of its authority to issue 5.6 billion warrants, with the consent of major shareholders originally entitled to them. In return, the Parent Company, through its subsidiary, CCC, will pay the shareholders about ₱1.0 billion, equivalent to a 1.0625% annual guarantee fee over five years, while ensuring the payments do not impact CCC's cash flow or profitability. The warrant termination agreement is still undergoing review by the Parent Company's principal and substantial shareholders for signing and execution.

c. Track record of securities registration

Below is the Parent Company's track record of registration of securities under the Philippine SEC:

Date of Registration (SEC Approval)	Description	Authorized Shares	Number of shares issued/subscribed	Par value per share	Total amount (in 000's)
December 31, 2009	Common shares	12,000,000,000	1,048,931,882	₱10.00	₱10,489,319
October 8, 2010	Increase in number of common shares	14,200,000,000	1,059,931,882	10.00	10,599,319
September 5, 2011	Increase in number of common shares	20,000,000,000	1,336,614,382	10.00	13,366,144
November 8, 2011	Increase in number of common shares	30,000,000,000	1,336,614,382	10.00	13,366,144
January 23, 2013	Decrease in number of common shares and reduction in par value	24,000,000,000	2,074,366,980	8.00	16,594,936

(Forward)

Date of Registration (SEC Approval)	Description	Authorized Shares	Number of shares issued/subscribed	Par value per share	Total amount (in 000's)
June 29, 2016	Reduction in par value consequently decreasing the number of common shares	3,000,000,000	2,087,032,774	1.00	₱2,087,033
November 17, 2017	Increase in number of subscribed common shares	8,890,000,000	1,472,500,000	1.00	1,472,500
As at December 31, 2025		8,890,000,000	3,559,532,774	₱1.00	₱3,559,533

d. Additional Paid-In Capital

Convertible Loans

Additional paid-in capital amounting to ₱48,847 was recognized in 2017 as a result of the equity conversion option from the ₱1.8 billion convertible loans availed by the Parent Company from SMIC, Alakor and APHC.

Additional paid-in capital amounted to ₱19,650,936 as at December 31, 2025 and 2024. This includes additional paid-in capital amounting to ₱28,886 from 2014 and prior years.

e. Retained Earnings (Deficit)

The retained earnings (deficit) of the Group's subsidiaries and associates are as follows:

	2025	2024
Subsidiaries		
CCC	**₱9,102,066**	₱9,065,595
AEI	**(108,986)**	(108,858)
AI	**(32,677)**	(32,606)
AHI	**(3,684)**	(3,606)
CCESI	**(6,367)**	(73)
Associates		
BNC	**₱162,878**	₱124,382
URHI	**(4,636)**	(4,620)
TMI	**(12,688)**	(12,561)
NRHI	**110,072**	110,089
UNC	**(47,736)**	(47,805)

The total retained earnings of the Group amounted to ₱21,548,640 and ₱21,796,790 as at December 31, 2025 and 2024, respectively.

The retained earnings of the Group's subsidiaries and associates that are not available for dividend declaration amounts to nil as of December 31, 2025 and 2024.

Dividend Declaration

There were no dividends declared and paid in 2025 and 2024.

f. Number of Shareholders

As at December 31, 2025 and 2024, the Parent Company has 20,655 and 20,665 shareholders, respectively.

g. Cumulative translation adjustment

Cumulative translation adjustment amounted to ₱5,492,411 and ₱5,032,330 as at December 31, 2025 and 2024, respectively. The exchange differences arising on the translation for consolidation amounted to an increase of ₱460,081, an increase of ₱1,162,331 in 2024 and a decrease of ₱176,781 in 2023.

h. Non-controlling interest

On August 29, 2024, the Group, through its subsidiary CCC, invested in 70% ownership in CCESI in exchange for cash amounting ₱3,500. As a result, the Group recognized a non-controlling interest amounting to ₱1,500, representing the interest of other stockholders in CCESI in the consolidated statements of financial position. The non-controlling interest represents a noncash transaction.

Financial information of the subsidiary that has non-controlling interest is provided below:

		Percentage of Ownership	
	Principal Place of Business	**2025**	2024
CCESI	Philippines	**30%**	30%

Equity attributable to non-controlling interest:

	2025	2024
CCESI	**₱3,410**	₱1,478

Net income attributable to the non-controlling interest:

	2025	2024
CCESI		
Net income (loss)	**₱6,441**	(₱73)

The summarized financial information of this subsidiary is provided below. This information is based on amounts before intercompany eliminations.

	2025	2024
Revenue	**₱19,211**	₱–
Cost and expenses	**(11,164)**	(73)
Other income (charges) – net	**3**	–
Income (loss) before income tax	**8,050**	(73)
Provision for income tax	**1,609**	–
Net income (loss)	**6,441**	(73)
Other comprehensive income (loss)	**–**	–
Total comprehensive loss	**6,441**	(73)
Attributable to non-controlling interest	**₱1,932**	(₱22)

Summarized statements of financial position as at December 31, 2025 and 2024 are as follows:

	2025	2024
Current assets	**₱23,141**	₱4,927
Noncurrent assets	**1,247**	–
Current liabilities	**(13,021)**	–
Noncurrent liabilities	**–**	–
Net assets	**₱11,367**	₱4,927

Attributable to:	**2025**	2024
Equity holders of the Parent Company	**₱7,957**	₱3,449
NCI	**3,410**	1,478

Summarized cash flow information for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
Operating	**₱11,483**	₱–
Investing	**–**	–
Financing	**(5,000)**	–
Net increase in cash	**₱6,483**	₱–

The movements in the non-controlling interest are as follows:

	2025	2024
Beginning balance	**₱1,478**	₱–
Net income attributable to non-controlling interest	**1,932**	1,478
Ending balance	**₱3,410**	₱1,478

19. Comprehensive Stock Option Plan

On July 18, 2007, the Parent Company's stockholders and BOD approved and ratified the Comprehensive Stock Option Plan for the Parent Company's qualified employees. The salient terms and features of the stock option plan, among others, are as follows:

i. Participants: directors, officers, managers and key consultants of the Parent Company and its significantly owned subsidiaries;
ii. Number of underlying shares: 50,000,000 common shares to be taken out of the unissued portion of the Parent Company's ACS with 25,000,000 of the underlying shares already been earmarked for the first-tranche optionees as duly approved by the Parent Company's stockholders during the annual general meeting (AGM) held on July 18, 2007;
iii. Option period: Three years from the date the stock option is awarded to the optionees;
iv. Vesting period: 1/3 of the options granted will vest in each year; and
v. Exercise price: ₱10.00 per share benchmarked on the average closing price of the Parent Company's shares of stock as traded on the PSE during the period between September 6, 2006 (date of the AGM during which the stock option plan was first approved) and June 18, 2007 (the date of the BOD meeting during which the terms of the stock option plan were approved); such average closing price was ₱11.05 (the exercise price represents the average closing price discounted at the rate of 9.50%).

The Parent Company used the Black-Scholes model to compute for the fair value of the stock options based on the following assumptions as at July 18, 2007:

Spot price per share	₱15.00
Time to maturity	3 years
Volatility*	52.55%
Dividend yield	0.00%

**Volatility is calculated using historical stock prices and their corresponding logarithmic returns.*

Qualified employees who were previously granted stock option awards did not exercise subscription rights in the past three years: 2025, 2024 and 2023. There are no outstanding stock options as at December 31, 2025, and all options have already lapsed.

20. Revenues from Contracts with Customers

Revenue from contracts with customers is disaggregated into the following:

	2025	2024	2023
Type of goods			
Copper concentrate containing:			
Copper (Note 6)	**₱13,515,773**	₱15,826,944	₱17,174,795
Gold	**3,048,422**	2,935,699	2,735,155
Silver	**15,871**	–	–
Smelting and related charges	**593,071**	(128,423)	(1,044,937)
Mine waste	**19,211**	–	–
Total revenues from contracts with customers	**₱17,192,348**	₱18,634,220	₱18,865,013

All revenue from copper concentrate and mine waste is recognized at a point in time when control transfers to the buyers.

21. Mining and Milling Costs

Mining and milling costs consists of:

	2025	2024	2023
Depreciation and depletion (Note 9)	**₱4,669,914**	₱5,055,818	₱4,286,919
Materials and supplies (Note 7)	**5,179,469**	6,083,990	4,986,138
Communication, electricity and water	**2,744,954**	3,391,512	3,339,040
Personnel costs (Note 23)	**827,584**	794,988	790,309
Contracted services	**321,551**	394,028	648,857
Other costs	**270,973**	326,300	331,236
	₱14,014,445	₱16,046,636	₱14,382,499

Other costs consist of freight expenses, customs duties, insurance costs for vehicles used in the mine operations and other expenses, which are individually insignificant in amount.

Mine Products Taxes

Excise taxes amounting to ₱617,895, ₱739,403 and ₱756,141 in 2025, 2024 and 2023, respectively, pertain to the taxes paid and accrued by the Group related to the production of copper concentrate.

22. General and Administrative Expenses

	2025	2024	2023
Personnel costs (Note 23)	**₱604,820**	₱669,904	₱581,093
Taxes and licenses	**188,766**	190,272	227,800
Rentals (Note 15)	**141,107**	205,838	176,835
Depreciation and depletion (Note 9)	**91,648**	48,280	39,150
Professional fees	**82,031**	114,186	126,796
Community assistance	**52,628**	51,922	37,219
Insurance	**44,341**	49,114	47,974
Materials and supplies (Note 7)	**36,121**	37,998	21,645
Transportation and travel	**22,017**	22,244	18,747
Communication, light and water	**21,808**	21,291	22,561
Provision for inventory obsolescence (Note 7)	**16,249**	22,865	–
Entertainment, amusement and recreation	**11,653**	13,403	12,494
Regulatory filing fees and charges	**917**	–	–
Repairs and maintenance	**712**	887	807
Others	**54,672**	68,353	15,948
	₱1,369,490	₱1,516,557	₱1,329,069

Rentals pertain to short-term land, office and equipment rentals not directly related to the mining operations.

Others consist primarily of subscription fees, software licenses, events, cost of training and seminars, not directly related to the mining operations of the Group.

23. Personnel Costs

Personnel costs recognized in mining and milling costs, and general and administrative expenses consist of the following:

	2025	2024	2023
Salaries and wages	**₱1,241,949**	₱1,267,134	₱1,180,957
Retirement benefits cost (Note 25)	**53,743**	50,919	39,992
Other employee benefits	**136,712**	146,839	150,453
	₱1,432,404	₱1,464,892	₱1,371,402

	2025	2024	2023
Mining and milling costs (Note 21)	**₱827,584**	₱794,988	₱790,309
General and administrative expenses (Note 22)	**604,820**	669,904	581,093
	₱1,432,404	₱1,464,892	₱1,371,402

24. Related Party Disclosures

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

In the normal course of business, transactions with related parties consist mainly of payments made by the Parent Company for various expenses and non-interest bearing, short-term cash advances for working capital requirements.

All intercompany transactions are eliminated upon consolidation. Items eliminated are separately disclosed in a schedule in accordance with Philippine SEC requirements under the Revised SRC Rule 68.

The consolidated statements of financial position include the following amounts resulting from the various transactions with related parties, which are expected to be settled in cash:

a. Related party transactions

December 31, 2025

	Amount/ Volume	Outstanding Balance	Terms	Conditions
Associates				
***Receivables* (Note 5)**				
URHI (i)	**₱–**	**₱3,006**	**On demand; non-interest bearing**	**Unsecured, no guarantee**
UNC (i)	**–**	**14,824**	**On demand; non-interest bearing**	**Unsecured, no guarantee**
Entity with significant influence				
SM Investments Corporation (SMIC) (ii)	**285,740**	**–**	**On demand; non-interest bearing**	**Unsecured, no guarantee**
Subsidiaries of an entity with significant influence				
Philippine Geothermal Production Company, Inc. (PGPCI) (ii)	**629,483**	**–**	**On demand; non-interest bearing**	**Unsecured, no guarantee**
SM Prime Holdings, Inc. (SMPH) (ii)	**1,378,374**	**–**	**On demand; non-interest bearing**	**Unsecured, no guarantee**
SM Development Corporation (SMDC) (ii)	**314,592**	**–**	**On demand; non-interest bearing**	**Unsecured, no guarantee**
		₱17,830		

December 31, 2024	Amount/ Volume	Outstanding Balance	Terms	Conditions
Associates				
Receivables (Note 5)				
URHI (i)	₱–	₱3,006	On demand; non-interest bearing	Unsecured, no guarantee
UNC (i)	–	14,824	On demand; non-interest bearing	Unsecured, no guarantee
Entity with significant influence				
SMIC (ii)	202,669	–	On demand; non-interest bearing	Unsecured, no guarantee
Subsidiaries of an entity with significant influence				
PGPCI (ii)	2,538,514	–	On demand; non-interest bearing	Unsecured, no guarantee
SMPH (ii)	3,836,114	–	On demand; non-interest bearing	Unsecured, no guarantee
SMDC (ii)	963,228	–	On demand; non-interest bearing	Unsecured, no guarantee
		₱17,830		

i. Transactions with URHI and UNC pertain to cash advances made to the associates in prior years.

ii. The transactions with SMIC, PGPCI, SMPH and SMDC pertain to purchases of foreign currencies, mainly US dollars, to be utilized by the Group in paying off its foreign-currency denominated obligations.

b. Compensation of key management personnel

	2025	2024	2023
Short-term benefits	**₱91,729**	₱105,277	₱82,809
Retirement benefits	**21,553**	4,052	3,748
	₱113,282	₱109,329	₱86,557

The Group considers all senior officers as key management personnel.

25. **Retirement Benefits Liability**

The Group has an unfunded defined retirement benefits plan covering substantially all of its employees. The plan provides a retirement of amount equal to one month's salary for every year of service, with six months or more of service considered as one year.

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

Summary of retirement benefits liability and retirement benefits cost as at and for the years ended December 31, 2025, 2024 and 2023:

	2025		2024		2023	
	Retirement benefits liability	**Retirement benefits costs**	Retirement benefits liability	Retirement benefits costs	Retirement benefits liability	Retirement benefits costs
Parent Company	**₱9,592**	**₱2,598**	₱16,685	₱2,389	₱14,101	₱2,011
CCC	**557,267**	**84,165**	551,700	80,257	516,339	68,981
CCESI	**–**	**12**	–	–	–	–
	₱566,859	**₱86,775**	₱568,385	₱82,646	₱530,440	₱70,992

The movements in remeasurement gain on retirement benefits liability, net of tax, of the Parent Company and CCC are as follows:

	2025	2024	2023
Balances at beginning of year	**₱143,381**	₱135,989	₱188,209
Actuarial gains (losses):			
Financial assumptions	**19,298**	(2,133)	(49,816)
Experience adjustments	**7,102**	9,525	(2,404)
Adjustments	**3,656**	–	–
	30,056	7,392	(52,220)
Remeasurement gain on retirement benefits liability – net of tax	**₱173,437**	₱143,381	₱135,989

Parent Company Retirement Benefits Liability

The details of retirement benefits cost follow:

	2025	2024	2023
Current service cost (Note 23)	**₱1,580**	₱1,467	₱1,188
Interest cost (Note 27)	**1,018**	922	824
	₱2,598	₱2,389	₱2,012

The movements in the present value of the retirement benefits liability are as follows:

	2025	2024	2023
Balances at beginning of year	**₱16,685**	₱14,101	₱11,455
Current service cost (Note 23)	**1,580**	1,467	1,309
Past service credit (Note 23)	**–**	–	(121)
Interest cost (Note 27)	**1,018**	922	824
Actuarial losses (gains):			
Financial assumptions	**(186)**	503	(36)
Experience adjustments	**(195)**	(308)	670
Net released obligations due to employee transfers	**(9,310)**	–	–
Balances at end of year	**₱9,592**	₱16,685	₱14,101

The Parent Company does not have any plan assets.

The retirement benefits cost as well as the present value of the retirement benefits liability is determined using actuarial valuation. The actuarial valuation involves making various assumptions.

The principal assumptions used in determining retirement benefits costs and retirement benefits liability for the Parent Company's defined retirement benefits plan are shown below:

	2025	2024	2023
Discount rate	**6.26%**	6.10%	6.54%
Expected rate of salary increase	**5.00%**	5.00%	5.00%
Turnover rate	**17% at age 18 decreasing to 0% at age 60**	17% at age 18 decreasing to 0% at age 60	17% at age 18 decreasing to 0% at age 60
Mortality rate	**2017 Philippine Intercompany Mortality Table**	2017 Philippine Intercompany Mortality Table	2017 Philippine Intercompany Mortality Table

The sensitivity analyses below have been determined based on reasonably possible changes of each significant assumption on the defined retirement benefits liability as at the end of the reporting period, assuming all other assumptions were held constant:

	Increase (decrease)	**2025**	2024
Discount rates	+1%	**(₱1,042)**	(₱1,091)
	-1%	**1,186**	1,238
Salaries increased rates	+1%	**₱1,242**	₱1,327
	-1%	**(1,105)**	(1,188)

The Parent Company does not expect to contribute to the defined retirement benefits plan in 2026. The Parent Company does not have a trustee bank, and does not currently employ any asset-liability matching.

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31, 2025 and 2024:

	2025	2024
More than one year to five years	**₱–**	₱10,212
More than five years to 10 years	**1,675**	1,709
More than 10 years to 15 years	**41,769**	33,742
More than 15 years to 20 years	**–**	7,675
More than 20 years	**1,848**	1,670
	₱45,292	₱55,008

The average duration of the defined retirement benefits liability as at December 31, 2025 and 2024 is 12.47 years and 9.39 years, respectively.

CCC Retirement Benefits Liability

The details of retirement benefits costs follow:

	2025	2024	2023
Current service cost (Note 23)	**₱52,151**	₱49,452	₱38,805
Interest cost (Note 27)	**32,014**	30,805	30,176
	₱84,165	₱80,257	₱68,981

The movements in present value of the retirement benefits liability are as follows:

	2025	2024	2023
Balances at beginning of year	**₱551,700**	₱516,339	₱531,494
Current service cost (Note 23)	**52,151**	49,452	38,805
Interest cost (Note 27)	**32,014**	30,805	30,176
Actuarial losses (gains):			
Financial assumptions	**(25,544)**	2,342	66,457
Experience adjustments	**(9,275)**	(12,392)	2,535
Benefits paid	**(43,906)**	(34,871)	(44,749)
Cumulative translation adjustment	**127**	25	(108,379)
Balances at end of year	**₱557,267**	₱551,700	₱516,339

CCC does not have any plan assets.

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

The principal assumptions used in determining retirement benefits costs and retirement benefits liability for CCC's defined retirement benefits plan are shown below:

	2025	2024	2023
Discount rate	**6.47%**	6.09%	6.13%
Expected rate of salary increase	**6.00%**	6.00%	6.00%
Turnover rate	**9% at age 18 decreasing to 0% at age 65**	9% at age 18 decreasing to 0% at age 65	9% at age 18 decreasing to 0% at age 65
Mortality rate	**2017 Philippine Intercompany Mortality Table**	2017 Philippine Intercompany Mortality Table	2017 Philippine Intercompany Mortality Table

The sensitivity analyses below have been determined based on reasonably possible changes of each significant assumption on the defined retirement benefits liability as at the end of the reporting period, assuming all other assumptions were held constant:

	Increase (decrease)	**2025**	2024
Discount rates	+1%	**(₱60,622)**	(₱61,364)
	-1%	**72,001**	73,005
Salaries increased rates	+1%	**₱74,407**	₱75,100
	-1%	**(63,611)**	(64,133)

CCC does not expect to contribute to the defined retirement benefits plan in 2026. CCC does not have a trustee bank, and does not currently employ any asset-liability matching.

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31, 2025 and 2024:

	2025	2024
Less than one year	**₱23,426**	₱19,911
More than one year to five years	**108,033**	109,391
More than five years to 10 years	**329,348**	322,317
More than 10 years to 15 years	**534,041**	517,603
More than 15 years to 20 years	**772,257**	727,576
More than 20 years	**2,543,844**	2,425,858
	₱4,310,949	₱4,122,656

The average duration of the defined retirement benefits liability as at December 31, 2025 and 2024 is 16.41 years and 16.64 years, respectively.

The retirement benefits cost of CCESI pertains to the retirement pay of its only employee.

The defined retirement benefits plan typically exposes the Group to a number of risks such as interest rate risk and salary risk. The most significant of which relate to interest rate risk. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related retirement liability. An increase in government bond yields will decrease the defined benefit obligation. Hence, the present value of defined benefits obligation is directly affected by the discount rate to be applied by the Group.

26. **Income Taxes**

The components of the provision for (benefit from) income tax are as follow:

	2025	2024	2023
Current	**₱295,775**	₱292,107	₱628,959
Deferred	**(125,967)**	(248,104)	(43,408)
	₱169,808	₱44,003	₱585,551

The provision for current income tax in 2025 pertains to CCC and CCESI's RCIT amounting to ₱295,763 and the Parent Company's MCIT amounting to ₱12. The provision for current income tax pertains to RCIT in 2024 and MCIT in 2023.

Parent Company, AEI, AHI and AI

The Parent Company, AEI, AHI and AI have the following carry-forward benefits of NOLCO and MCIT, and deductible temporary differences in 2025 and 2024, for which no deferred tax assets were recognized as it is not probable that sufficient future taxable profits will be available against which the benefits can be utilized:

	2025	2024
Allowance for impairment losses on:		
Inventory obsolescence	**₱316,239**	₱316,239
Expected credit losses	**4,679**	4,679
Quoted equity instrument	**2,867**	2,867

(Forward)

	2025	2024
Carry-forward benefits of:		
NOLCO	**55,908**	54,527
MCIT	**372**	339
Retirement benefits liability	**9,592**	16,685
Unrealized foreign exchange losses	**1,940**	–
	₱391,597	₱395,336

The components of deferred tax liabilities of the Parent Company as at December 31, 2025 and 2024 are as follows:

	2025	2024
Recognized directly in profit or loss		
Deferred tax liability:		
Mining rights	**₱1,517,612**	₱1,590,883
Unrealized fair value gain on investment in pooled funds	**2,610**	8,756
Unrealized foreign exchange gains	**43**	1,427
	1,520,265	1,601,066
Recognized in other comprehensive income		
Revaluation increment on land	**321,153**	321,153
Remeasurement gain on retirement benefits liability	**5,087**	4,992
	326,240	326,145
Deferred tax liabilities	**₱1,846,505**	₱1,927,211

CCC

The components of deferred tax assets of CCC as at December 31, 2025 and 2024:

	2025	2024
Recognized directly in profit or loss		
Deferred tax assets:		
Unrealized foreign exchange losses	**₱1,949,712**	₱1,864,600
Retirement benefits liability	**202,900**	190,531
Provision for impairment losses:		
Input VAT	**113,556**	111,731
Inventory obsolescence	**96,120**	89,731
Liability for mine rehabilitation	**28,573**	21,165
Loss on asset derecognition	**14,579**	8,834
	2,405,440	2,286,592
Deferred tax liabilities:		
Unrealized foreign exchange gains	**1,330,883**	1,275,515
Unrealized gain on hedging transactions	**14,447**	15,048
Debt issue cost	**3,139**	7,035
	1,348,469	1,297,598
Recognized in other comprehensive income		
Remeasurement gain on retirement benefits liability	**(63,583)**	(52,606)
Deferred tax assets - net	**₱993,388**	₱936,388

The Group has incurred NOLCO before taxable year 2025 which can be claimed as deduction from the regular taxable income for the next three consecutive taxable years. The Group's NOLCO is as follows:

Year Incurred	Availment Period	Amount	NOLCO Expired	NOLCO Applied Current Year	NOLCO Unapplied
2025	2026-2028	₱1,580	₱–	₱–	₱1,580
2024	2025-2027	12,806	–	–	12,806
2023	2024-2026	18,919	–	–	18,919
2022	2023-2025	223	(223)	–	–
2021	2022-2026	218	–	–	218
2020	2021-2025	275	(275)	–	–
		₱34,021	(₱498)	₱–	₱33,523

As at December 31, 2025, the Parent Company's MCIT that can be claimed as deduction against future taxable liabilities are as follows:

Year Incurred	Availment Period	Amount	MCIT Expired	MCIT Unapplied
2025	2026-2028	₱12	₱–	₱12
2024	2025-2027	207	–	207
2023	2024-2026	122	–	122
2022	2023-2025	10	(10)	–
		₱351	(₱10)	₱341

In 2025, there was no application of MCIT incurred from previous years.

A reconciliation of the provision for income tax computed at the statutory income tax rate with the provision for income tax is presented as follows:

	2025	2024	2023
Provision for (benefit from) income tax at statutory income tax rates	**(₱19,102)**	(₱46,768)	₱425,777
Additions to (reductions in) income tax resulting from:			
Non-deductible expenses	**258,692**	215,076	430,489
Income exempt from income tax	**(57,507)**	(105,941)	(275,435)
Interest income subject to final tax and others	**(11,571)**	(28,562)	(11,184)
Movements in unrecognized deferred tax assets	**(826)**	9,987	15,885
Expired NOLCO	**124**	–	–
Excess MCIT over RCIT	**(12)**	207	–
Expired MCIT	**10**	4	19
	₱169,808	₱44,003	₱585,551

"Corporate Recovery and Tax Incentives for Enterprises Act" or "CREATE" Bill
President Rodrigo Duterte signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. RA No. 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

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

- Effective July 1, 2020, RCIT rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding ₱5 million and with total assets not exceeding ₱100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%;
- MCIT rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023; and
- Qualified export enterprises shall be entitled to 4 to 7 years income tax holiday (ITH) to be followed by 10 years 5% special corporate income tax (SCIT) or enhanced deductions (ED).

On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the MCIT rate to 2% of gross income effective July 1, 2023, pursuant to RA No. 11534, otherwise known as the CREATE Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021. Consequently, the Group recognized MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023.

27. Interest Income and Finance Charges

Sources of interest income are as follows:

	2025	2024	2023
Cash in banks and cash equivalents (Note 4)	**₱39,227**	₱110,468	₱23,010
Other non-current assets (Note 13)	**14**	25	14
	₱39,241	₱110,493	₱23,024

Finance charges consists of:

	2025	2024	2023
Interest expense on long-term debts (Note 16)	**₱581,595**	₱590,413	₱575,995
Interest cost on retirement benefits liability (Note 25)	**33,032**	31,727	31,000
Amortization of debt issue cost (Note 16)	**15,690**	15,469	16,748
Accretion of interest on liability for mine rehabilitation cost (Note 17)	**2,203**	2,326	2,265
Lease liability (Note 15)	**204**	411	591
	₱632,724	₱640,346	₱626,599

The Group did not capitalize any borrowing costs in 2025, 2024 and 2023.

28. Others – net

The others – net account under costs and expenses section of the consolidated statement of comprehensive income consists of:

	2025	2024	2023
Impairment losses on input VAT (Note 13)	**(₱395,633)**	(₱26,606)	(₱21)
Gain on derecognition of liabilities	**129,786**	–	–
Realized fair value gains on:			
Short term investments (Note 4)	**35,790**	1,253	1,219
Investment in pooled funds (Note 8)	**7,045**	3,759	2,096
Loss on retirement of property and equipment (Note 9)	**(21,916)**	(11,751)	(1,080)
Rental of facilities	**15,516**	22,438	74,610
Unrealized fair value gains on:			
Investment in pooled funds (Note 8)	**10,438**	12,926	13,743
UITF (Note 13)	**1,238**	–	–
Short-term investments (Note 4)	**292**	–	–
Income from insurance claims	**5,502**	121,342	–
Gain (loss) on disposal of property and equipment (Note 9)	**1,343**	(112)	492
Miscellaneous - net	**9,260**	16,689	43,298
	(₱201,339)	₱139,938	₱134,357

Miscellaneous includes scrap sales, bank charges, staff club charges and hospital charges.

29. Segment Information

The primary segment reporting format is determined to be the business segments because the Group is organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit. The mining segment is engaged in exploration and mining operations. Meanwhile, the non-mining segment is engaged in bulk water supply or acts as holding company.

The Group's operating business segments remain to be neither organized nor managed by geographical segment.

2025:	**Mining**	**Non-Mining**	**Total**	**Eliminations**	**Consolidated**
Segment revenue					
From external customers	**₱17,173,137**	**₱19,211**	**₱17,192,348**	**₱–**	**₱17,192,348**
Mining and milling costs	**₱14,014,445**	**₱–**	**₱14,014,445**	**₱–**	**₱14,014,445**
Cost of Sales	**–**	**6,404**	**6,404**	**(6,404)**	**–**
General and administrative expenses	**1,320,035**	**49,455**	**1,369,490**	**–**	**1,369,490**
Mine products taxes	**617,895**	**–**	**617,895**	**–**	**617,895**
Depletion of mining rights	**–**	**–**	**–**	**293,086**	**293,086**
Operating income (loss)	**1,220,762**	**(36,648)**	**1,184,114**	**(286,682)**	**897,432**
Depreciation and depletion	**4,759,179**	**2,383**	**4,761,562**	**293,086**	**5,054,648**
Share in net loss	**–**	**–**	**–**	**(45,185)**	**(45,185)**
Other charges	**(309,324)**	**19,795**	**(289,529)**	**(6,404)**	**(295,933)**
EBITDA	**₱5,670,617**	**(₱14,470)**	**₱5,656,147**	**(₱45,185)**	**₱5,610,962**

(Forward)

2025:	**Mining**	**Non-Mining**	**Total**	**Eliminations**	**Consolidated**
Segment results					
Income (loss) before income tax	**₱279,936**	**(₱18,075)**	**₱261,861**	**(₱338,271)**	**(₱76,410)**
Provision for income tax	**(243,464)**	**385**	**(243,079)**	**73,271**	**(169,808)**
Net income	**₱36,472**	**(₱17,690)**	**₱18,782**	**(₱265,000)**	**(₱246,218)**
Assets					
Operating Assets	**₱49,406,897**	**(5,338,490)**	**₱44,068,407**	**(₱974,998)**	**₱43,093,409**
Investments	**3,675**	**25,801,933**	**25,805,608**	**(25,583,608)**	**222,000**
Goodwill	**–**	**–**	**–**	**19,026,119**	**19,026,119**
Mining rights	**–**	**–**	**–**	**6,031,297**	**6,031,297**
Total Assets	**49,410,572**	**20,463,443**	**69,874,015**	**(1,501,190)**	**68,372,825**
Liabilities					
Operating Liabilities	**17,212,691**	**11,264**	**17,223,955**	**–**	**17,223,955**
Accounts payable, contract liability and accrued liabilities	**2,733,343**	**56,205**	**2,789,548**	**(13,942)**	**2,775,606**
Deferred tax liabilities	**–**	**328,893**	**328,893**	**1,517,612**	**1,846,505**
Total liabilities	**19,946,034**	**396,362**	**20,342,396**	**1,503,670**	**21,846,066**
Other segment information					
Depreciation and depletion	**4,759,179**	**2,383**	**4,761,562**	**293,086**	**5,054,648**
Finance charges	**631,502**	**1,222**	**632,724**	**–**	**632,724**

2024:	Mining	Non-Mining	Total	Eliminations	Consolidated
Segment revenue					
From external customers	₱18,634,220	₱–	₱18,634,220	₱–	₱18,634,220
Mining and milling costs	₱16,046,636	₱–	₱16,046,636	₱–	₱16,046,636
General and administrative expenses	1,461,459	55,098	1,516,557	–	1,516,557
Mine products taxes	739,403	–	739,403	–	739,403
Depletion of mining rights	–	–	–	341,826	341,826
Operating income (loss)	386,722	(55,098)	331,624	(341,826)	(10,202)
Depreciation and depletion	5,055,818	48,200	5,104,018	341,826	5,445,844
Share in net loss	–	–	–	(30,117)	(30,117)
Other income (charges)	454,550	39,045	493,595	–	493,595
EBITDA	₱5,897,090	₱32,147	₱5,929,237	(₱30,117)	₱5,899,120
Segment results					
Income (loss) before income tax	₱202,261	(₱17,386)	₱184,873	(₱371,943)	(₱187,070)
Provision for income tax	(128,029)	(1,430)	(129,459)	85,456	(44,003)
Net income (loss)	₱74,232	(₱18,816)	₱55,414	(₱286,487)	(₱231,073)
Assets					
Operating assets	₱50,517,205	(₱2,297,586)	₱52,814,791	(₱8,573,192)	₱44,241,599
Investments	3,616	25,801,933	25,805,549	(25,538,364)	267,185
Goodwill	–	–	–	19,026,119	19,026,119
Mining rights	–	–	–	6,324,383	6,324,383
Total assets	50,520,821	28,099,520	78,620,341	(8,761,054)	69,859,287
Liabilities					
Operating Liabilities	17,814,366	7,649,629	25,463,995	(7,629,191)	17,834,804
Accounts payable, contract liability and accrued liabilities	3,782,097	34,543	3,816,630	(2,200)	3,814,430
Deferred tax liabilities	–	336,329	336,329	1,590,883	1,927,212
Total liabilities	21,596,453	8,020,501	29,616,954	(6,040,508)	23,576,446
Other segment information					
Depreciation and depletion	5,055,818	48,200	5,104,018	341,826	5,445,844
Finance charges	639,013	1,333	640,346	–	640,346

2023:	Mining	Non-Mining	Total	Eliminations	Consolidated
Segment revenue					
From external customers	₱18,865,013	₱–	₱18,865,013	₱–	₱18,865,013
Mining and milling costs	₱14,382,499	₱–	₱14,382,499	₱–	₱14,382,499
General and administrative expenses	1,273,953	55,116	1,329,069	–	1,329,069
Mine products taxes	756,141	–	756,141	–	756,141
Depletion of mining rights	–	–	–	284,657	284,657
Operating income (loss)	2,452,420	(55,116)	2,397,304	(284,657)	2,112,647
Depreciation and depletion	4,323,688	2,381	4,326,069	284,657	4,610,726
Other income (charges)	222,043	28,835	250,878	–	250,878
Share in net loss	–	–	–	(33,819)	(33,819)
EBITDA	₱6,998,151	(₱23,900)	₱6,974,251	(₱33,819)	₱6,940,432
Segment results					
Income before income tax	₱2,049,279	(₱27,696)	₱2,021,583	(₱318,476)	₱1,703,107
Benefit from (provision for) income tax	(652,364)	(4,351)	(656,715)	71,164	(585,551)
Net income (loss)	₱1,396,915	(₱32,047)	₱1,364,868	(₱247,312)	₱1,117,556
Assets					
Operating assets	₱48,430,631	₱1,904,418	₱50,335,049	(₱8,095,921)	₱42,239,128
Investments	–	25,801,934	25,801,934	(25,504,632)	297,302
Goodwill	–	–	–	19,026,119	19,026,119
Mining rights	–	–	–	6,666,209	6,666,209
Total assets	48,430,631	27,706,352	76,136,983	(7,908,225)	68,228,758
Liabilities					
Operating Liabilities	17,371,246	20,261	17,371,507	–	17,371,507
Accounts payable, contract liability and accrued liabilities	3,471,638	33,127	3,504,765	(1,698)	3,503,067
Deferred tax liabilities	–	335,155	335,155	1,676,339	2,011,494
Total liabilities	20,822,884	388,543	21,211,427	1,674,641	22,886,068
Other segment information					
Depreciation, and depletion	4,323,688	2,381	4,326,069	284,657	4,610,726
Finance charges	625,184	1,415	626,599	–	626,599

The following table shows the reconciliation of consolidated EBITDA to consolidated net income (loss) for the years ended December 31, 2025, 2024 and 2023:

	2025	2024	2023
EBITDA	**₱5,610,962**	₱5,405,525	₱6,702,519
Less:			
Depreciation and depletion (Notes 9 and 10)	**5,054,648**	5,445,844	4,610,726
Finance charges (Note 27)	**632,724**	640,346	626,599
Provisions for income tax (Note 26)	**169,808**	44,003	585,551
	5,857,180	5,636,598	5,584,963
Net income (loss)	**(₱246,218)**	(₱231,073)	₱1,117,556

Adjustments and Eliminations

No operating segments have been aggregated to form the above reportable segments.

The president is the chief operating decision maker and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenues, EBITDA and profit or loss, and are measured consistently in the consolidated financial statements. The Group defines EBITDA as revenues from contracts with customers less costs and expenses, excluding financing charges, income tax, depreciation, depletion, and other provisions and charges.

The Group's management reporting and controlling systems use accounting policies that are the same as those described in Note 2 to the consolidated financial statements. Segment assets principally comprise all assets while segment liabilities principally comprise all liabilities.

Adjustments and eliminations are part of the detailed reconciliations presented below.

Reconciliation of segment income before tax:

	2025	2024	2023
Total segment net income before tax	**₱261,861**	₱184,873	₱2,021,583
Depletion of mining rights (Note 10)	**(293,086)**	(341,826)	(284,657)
Share in net loss of associates (Note 12)	**(45,185)**	(30,117)	(33,819)
Combined segment net income (loss) before tax	**(₱76,410)**	(₱187,070)	₱1,703,107

Reconciliation of segment assets:

	2025	2024	2023
Total segment operating assets	**₱43,093,409**	₱69,859,287	₱42,239,128
Goodwill (Note 10)	**19,026,119**	19,026,119	19,026,119
Mining rights (Note 10)	**6,031,297**	6,324,383	6,666,209
Investment in associates (Note 12)	**222,000**	267,185	297,302
Combined segment assets	**₱68,372,825**	₱69,859,287	₱68,228,758

Reconciliation of segment liabilities:

	2025	2024	2023
Total segment operating liabilities	**₱17,223,955**	₱17,834,804	₱17,371,507
Accounts payable and accrued liabilities	**2,775,606**	3,814,430	3,503,067
Deferred tax liabilities	**1,846,505**	1,927,212	2,011,494
Combined segment liabilities	**₱21,846,066**	₱41,411,250	₱40,257,575

Revenues of the Group, through CCC, are from MRI Trade AG (MRI) and Werco Trade AG (Werco) and are covered by Pricing Agreements.

	2025	2024	2023
WERCO	**₱8,379,617**	₱18,634,220	₱18,865,013
MRI	**8,793,520**	–	–
	₱17,173,137	₱18,634,220	₱18,865,013

30. Basic/Diluted Earnings Per Share

Basic and diluted earnings per share is computed as follows:

	2025	2024	2023
Net income (loss) attributable to the equity holders of the parent company	**(₱248,150)**	(₱231,051)	₱1,117,556
Divided by basic weighted average number of common shares outstanding (in thousands)	**3,557,553**	3,557,553	3,557,553
	(₱0.0698)	(₱0.0649)	₱0.3141

The Group's weighted average number of common shares outstanding (in thousands) used in computing basic and diluted earnings per share is 3,557,553 in 2025, 2024 and 2023.

There have been no other transactions involving common shares or potential common shares between the reporting date and the date of authorization of these consolidated financial statements.

31. Financial Risk Management Objectives and Policies

The Group's main financial instruments are cash in banks, cash equivalents, short-term investments, investment in pooled funds, quoted equity instrument, investment in UITF and refundable deposits under other non-current assets, long-term debts, and derivatives. It has various other financial assets and liabilities such as trade and other receivables, and accounts payable and accrued liabilities, which mainly arise from the Group's trade and other operations.

The main risks arising from the Group's financial instruments are market risk, credit risk, and liquidity risk. The BOD reviews and adopts relevant policies for managing each of these risks and these are summarized onto the succeeding paragraphs.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, and price risks, such as equity price risk and commodity risk. The value of a financial instrument may change as a result of changes in foreign currency exchange rates, interest rates, equity prices and other market changes.

Foreign Currency Risk

Foreign currency risk is that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group has foreign currency risk arising from its cash in banks, cash equivalents, receivables, accounts payable and accrued liabilities, long-term debts and derivatives. To mitigate the risk of incurring foreign exchange losses, foreign currency holdings are matched against the potential need for foreign currency in financing equity investments and new projects. The Group also utilizes foreign currency forward contracts to hedge its foreign currency exposures. Management continuously monitors exchange rate movements and evaluates the need for additional hedging strategies to manage the Group's exposure.

As at December 31, 2025 and 2024, foreign currency-denominated assets and liabilities follow:

	2025		2024	
	Original Currency	**Peso Equivalent**	Original Currency	Peso Equivalent
Assets				
Cash in banks and cash equivalents	**US$ 10,625**	**₱624,652**	US$34,872	₱2,017,170
	GB£131	**10,409**	GB£131	9,521
	JP¥107	**40**	JP¥1,259	462
Trade receivables – at fair value through profit or loss	**US$13,586**	**798,746**	US$4,587	265,344
Other receivables – at amortized cost	**US$27,093**	**1,592,791**	US$27,009	1,562,335
	US$51,304	**3,016,189**	US$65,940	3,814,297
	GB£131	**10,409**	GB£131	9,521
	JP¥107	**40**	JP¥1,259	462
Liabilities				
Accounts payable and accrued expenses	**US$22,617**	**₱1,329,637**	US$31,412	₱1,817,027
	JP¥70,995	**26,666**	JP¥141,995	52,112
	AU$285	**11,208**	AU$3	108
Long-term debts	**US$275,000**	**16,167,250**	US$296,966	17,178,008
	US$297,617	**17,496,887**	US$328,378	18,995,027
	JP¥70,995	**26,666**	JP¥141,995	52,112
	AU$285	**11,208**	AU$3	108
Net liabilities in US$	**(US$246,313)**	**(₱14,480,698)**	(US$262,438)	(₱15,180,730)
Net liabilities in JP¥	**(JP¥70,888)**	**(₱26,626)**	(JP¥140,736)	(₱51,650)
Net liabilities in AU$	**(AU$285)**	**(₱11,208)**	(AU$3)	(₱108)
Net assets in GB£	**GB£131**	**₱10,409**	GB£131	₱9,521

As at December 31, 2025 and 2024, foreign exchange closing rates used in converting foreign currency-denominated assets and liabilities are as follows:

	2025	2024
US$	**58.790**	57.845
AU$	**39.382**	36.086
JP¥	**0.376**	0.367
GB£	**79.410**	72.680

Based on the historical movement of the US$ and the Philippine Peso, the management assessed that the estimated reasonably possible change in the next 12 months would be:

	2025		2024	
	Peso Strengthens	**Peso Weakens**	Peso Strengthens	Peso Weakens
US$	**₱0.79**	**₱1.07**	₱0.83	₱0.54

Sensitivity of the Group's pre-tax income to foreign currency risks are as follows:

Year ended December 31, 2025:

- An increase of ₱263,555 in the pre-tax income if peso strengthens by ₱1.07 against the US$.
- A decrease of ₱194,587 in the pre-tax income if peso weakens by ₱0.79 against the US$.

Year ended December 31, 2024:

- An increase of ₱141,717 in the pre-tax income if peso strengthens by ₱0.54 against the US$.
- A decrease of ₱217,824 in the pre-tax income if peso weakens by ₱0.83 against the US$.

Management assessed that the foreign currency risk associated with AU$, JP¥, GB£-denominated accounts will not have a significant effect on consolidated financial statements, and as such, management did not present a sensitivity analysis as it is considered insignificant.

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

Commodity Price Risk
The Group's copper concentrate revenues are based on international commodity quotations (i.e., primarily on the LME) over which the Group has no significant influence or control. This exposes the Group's results of operations to commodity price volatilities that may significantly impact its cash inflows. The Group enters into derivative transactions as a means to mitigate the risk of fluctuations in the market prices of its mine products. An analysis is made based on the assumption that copper prices move using the implied volatility based on one-year historical LME copper prices, with all other variables held constant.

Management assessed that the commodity price risk for gas oil will not have a significant effect on the consolidated financial statements, and as such, management did not present a sensitivity analysis as it is considered insignificant.

Shown below is the Group's sensitivity to changes in the copper prices arising from its copper derivatives and trade receivables (subject to provisional pricing) in 2025 and 2024 follows:

December 31, 2025:

Change in Copper Prices	**Effect on Income Before Income Tax**
Increase by 2%	**₱269,350**
Decrease by 2%	**(269,349)**

December 31, 2024:

Change in Copper Prices	Effect on Income Before Income Tax
Increase by 2%	₱319,533
Decrease by 2%	(319,532)

The rate used for the sensitivity analysis of changes in copper prices is 2% which reflect the actual monthly changes in copper prices to represent a more accurate sensitivity analysis on the commodity price risk.

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

Equity Price Risk
Equity price risk is the risk that the value of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to equity price risk because of its investment in shares of stock of an entity listed in the local stock exchange, short-term investments, investment in UITF and investment in pooled funds, which are classified as financial asset at fair value through profit or loss. Management assessed that the fluctuation in the fair value of financial assets at fair value through profit or loss will not have a significant effect on the consolidated financial statements, and as such, did not present a sensitivity analysis.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Cash in banks and cash equivalents

Credit risk from balances with banks and financial institutions is managed by the Group in accordance with its policies. Credit risk is mitigated by the short-term and/or liquid nature of its cash investments placed with approved financial institutions of high credit standing. The expected credit loss on the Group's cash in banks and cash equivalents is calculated using the general approach.

Trade receivables

Customer credit risk is managed by the Group's policy, procedures, and control relating to customer credit risk management. The Group trades only with recognized creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures, short-term liquidity and financial position. In addition, outstanding trade receivable balances are regularly monitored on an ongoing basis, with the result that the Group's exposure to credit-impaired balances and bad debts is not significant. The Group's trade receivables are not subject to the recognition of expected credit loss because these are measured at fair value through profit or loss.

In 2025 and 2024, the Group had two and one customer, respectively, that accounted for all trade receivables. The maximum exposure to credit risk for trade receivables at the reporting date is also the carrying value (see Note 5). The Group does not hold collateral as security.

Other financial assets

With respect to credit risk arising from the other financial assets of the Group, which comprise short-term investments, other receivables, investment in pooled funds, quoted equity instrument, investment in UITF and refundable deposits under other non-current 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 Group limits its counterparty credit risk on these assets by dealing only with financial institutions with high credit ratings. The expected credit loss on the other financial assets of the Group measured at amortized cost is computed using the general approach.

The following table summarizes the gross maximum exposure to credit risk for the components of the consolidated statements of financial position. The maximum exposure shown is gross, before the effect of any allowance for impairment.

	2025	2024
Cash in banks	**₱408,618**	₱297,285
Cash equivalents	**604,611**	1,959,862
Short term investments	**1,593,507**	–
Receivables		
Trade	**798,746**	265,344
Non-trade	**43,268**	40,116
Interest	**3,284**	4,670
Advances to		
Related parties	**17,830**	12,728
Officers and employees	**4,743**	5,561

(Forward)

	2025	2024
Other current asset		
Investment in pooled funds	**₱452,712**	₱333,736
Other non-current assets		
Investment in UITF	**37,134**	35,292
Refundable deposits	**3,270**	3,254
	₱3,967,723	₱2,957,848

General Approach
The credit risk of financial assets under the general approach are determined to be under Stage 1. Individually impaired financial assets that were specifically determined by the Group are under Stage 3 and are fully provided with expected credit losses.

	2025				
	General Approach				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
Cash in banks	**₱408,618**	**₱–**	**₱–**	**₱–**	**₱408,618**
Cash equivalents	**604,611**	**–**	**–**	**–**	**604,611**
Receivables					
Non-trade	**–**	**38,589**	**4,679**	**–**	**43,268**
Interest	**3,284**	**–**	**–**	**–**	**3,284**
Advances to					
Related parties	**–**	**17,830**	**–**	**–**	**17,830**
Officers and employees	**–**	**4,743**	**–**	**–**	**4,743**
Other non-current assets					
Refundable deposits	**3,270**	**–**	**–**	**–**	**3,270**
	₱1,019,783	**₱61,162**	**₱4,679**	**₱–**	**₱1,085,624**

	2024				
	General Approach				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
Cash in banks	₱297,285	₱–	₱–	₱–	₱297,285
Cash equivalents	1,959,862	–	–	–	1,959,862
Receivables					
Non-trade	–	40,116	–	–	40,116
Interest	4,670	–	–	–	4,670
Advances to					
Related parties	–	12,728	–	–	12,728
Officers and employees	–	5,561	–	–	5,561
Other non-current assets					
Refundable deposits	3,254	–	–	–	3,254
	₱2,265,071	₱58,405	₱–	₱–	₱2,323,476

Concentration of Risk
In 2025 and 2024, the Group's copper production was sold to two and one customer, respectively. However, it has no significant concentration of credit risk because it can sell its copper concentrate to other third party customers. The Company continuously monitors the receivable of two customers which arise from the valuation of provisionally priced shipments at year-end. Management believes that the credit risk related to these receivables is minimal, as these customers are reputable and financially stable counterparties.

Collateral and other credit enhancements
The amount and type of collateral required depends on the assessment of the credit risk of the borrower or counterparty. The Group has no collateral held and other credit enhancements as at December 31, 2025 and 2024.

Interest Rate Risk
Management has assessed that the Group is not significantly exposed to interest rate fluctuations because the interest rates on its long-term debts are fixed.

Accordingly, changes in market interest rates are not expected to have a significant impact on the Group's financing costs.

Liquidity Risk
Liquidity risk is the risk where the Group becomes unable to meet its payment obligations when these fall due under normal and stress circumstances. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. The Group also manages its liquidity risk on a consolidated basis based on business needs, tax, capital or regulatory considerations, if applicable, through numerous sources of finance in order to maintain flexibility.

The tables below of the Group, as well as financial assets considered by management as part of its liquidity risk management based on remaining undiscounted contractual obligations as at December 31, 2025 and 2024 follow:

The aging analysis and maturity profile of the Group's financial assets and liabilities are as follow:

December 31, 2025

	On demand	Within one year	1 to < 3 years	> 3 years	Total
Financial assets:					
Cash on hand	**₱8,256**	**₱–**	**₱–**	**₱–**	**₱8,256**
Cash in banks	**408,618**	**–**	**–**	**–**	**408,618**
Cash equivalents	**–**	**604,611**	**–**	**–**	**604,611**
Short-term investments	**1,593,507**	**–**	**–**	**–**	**1,593,507**
Receivables					
Trade	**–**	**798,746**	**–**	**–**	**798,746**
Non-trade	**43,268**	**–**	**–**	**–**	**43,268**
Interest	**–**	**3,284**	**–**	**–**	**3,284**
Advances to					
Related parties	**17,830**	**–**	**–**	**–**	**17,830**
Officers and employees	**4,743**	**–**	**–**	**–**	**4,743**
Other current asset					
Investment in pooled funds	**–**	**452,712**	**–**	**–**	**452,712**
Other non-current assets					
Investment in UITF	**–**	**–**	**–**	**37,134**	**37,134**
Refundable deposits	**–**	**–**	**–**	**3,270**	**3,270**
	2,076,222	**1,859,353**	**–**	**40,404**	**3,975,979**
Financial liabilities:					
Accounts payable and accrued liabilities*	**–**	**2,574,488**	**–**	**–**	**2,574,488**
Long-term debts	**–**	**17,228,462**	**–**	**–**	**17,228,462**
Derivative liabilities	**–**	**84,224**	**–**	**–**	**84,224**
Lease liability	**–**	**1,015**	**–**	**–**	**1,015**
	–	**19,888,189**	**–**	**–**	**19,888,189**
	₱2,076,222	**(₱18,028,836)**	**₱–**	**₱40,404**	**(₱15,912,210)**

***Excluding government payables amounting to ₱201,118*

December 31, 2024

	On demand	Within one year	1 to < 3 years	> 3 years	Total
Financial assets:					
Cash on hand	₱3,440	₱ –	₱ –	₱ –	₱3,440
Cash in banks	297,285	–	–	–	297,285
Cash equivalents	–	1,959,862	–	–	1,959,862
Receivables					
Trade	–	265,344	–	–	265,344
Non-trade	40,116	–	–	–	40,116
Interest	–	4,670	–	–	4,670
Advances to					
Related parties	12,728	–	–	–	12,728
Officers and employees	5,561	–	–	–	5,561
Other current asset					
Investment in pooled funds	333,736	–	–	–	333,736
Other non-current assets					
Investment in UITF	–	–	–	35,292	35,292
Refundable deposits	–	–	–	3,254	3,254
	692,866	2,229,876	–	38,546	2,961,288
Financial liabilities:					
Accounts payable and accrued liabilities*	–	3,647,337	–	–	3,647,337
Long-term debts	–	1,912,364	16,954,548	–	18,866,912
Lease liability	–	2,959	1,015	–	3,974
	–			–	22,518,223
	₱692,866	(₱3,332,784)	(₱16,955,563)	₱38,546	(₱19,556,935)

***Excluding government payables amounting to ₱167,094*

32. Fair Value of Financial Instruments

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments other than those with carrying amounts that are reasonable approximations of fair values as at December 31 of each year:

	Carrying Values		Fair Values	
	2025	2024	**2025**	2024
Financial Liabilities				
Long-term debts:				
CBC Note 1	**₱8,270,002**	₱9,222,056	**₱8,196,202**	₱9,156,314
BDO Note 1	**3,405,735**	3,348,455	**3,384,263**	3,329,863
BDO Note 2	**2,937,196**	2,886,908	**2,917,503**	2,870,606
CBC Note 2	**1,543,261**	1,720,589	**1,531,612**	1,710,861
	₱16,156,194	₱17,178,008	**₱16,029,580**	₱17,067,644

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash in Banks, Cash Equivalents and Trade and Other Receivables
The carrying amounts of cash in banks, cash equivalents and other receivables approximate their fair value due to the relatively short-term maturities of these financial instruments.

Subsequent movements on provisionally-priced trade receivables are being recognized under fair value gain/loss in the consolidated statements of comprehensive income. The fair value of provisionally-priced trade receivables is determined by obtaining future prices of copper and gold and applying the projected prices to the outstanding trade receivables.

Investment in Pooled Funds
The fair value of investment in pooled funds is determined by referencing the fund's portfolio with the fair value of other similar funds.

Investment in UITF
The fair value of the investment in UITF is determined by the movements of its net asset value per unit, which is computed as the total market value of the assets, less fees, taxes, and other qualified expenses divided by total outstanding units.

Accounts Payable, and Accrued Liabilities except Government Payables
The carrying amounts of accounts payable and accrued liabilities excluding government payables approximate their fair values due to the relatively short-term maturities of these financial instruments.

Long-term Debts
Fair value of long-term debts is estimated using the discounted cash flow methodology using the applying benchmark risk free rates for similar types of long-term debts with comparable maturity profiles.

Management also considers that the carrying amounts of cash in banks, cash equivalents receivables, accounts payable and accrued liabilities approximate their fair values due to their short-term nature.

The fair value hierarchy of the financial assets and liabilities is presented in the following table:

December 31, 2025

	Level 1	**Level 2**	**Level 3**	**Total**
Assets measured at fair value:				
Trade receivables	**₱–**	**₱798,746**	**₱–**	**₱798,746**
Short-term investments	**1,593,507**			**1,593,507**
Investment in pooled funds	**452,712**	**–**	**–**	**452,712**
Investment in UITF	**37,134**	**–**	**–**	**37,134**
Total	**₱2,083,353**	**₱798,746**	**₱–**	**₱2,882,099**
Liability for which fair values are disclosed:				
Long-term debts	**–**	**–**	**(16,156,194)**	**(16,156,194)**
Total	**₱–**	**₱–**	**(₱16,156,194)**	**(₱16,156,194)**

December 31, 2024

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Trade receivables	₱–	₱265,344	₱–	₱265,344
Investment in pooled funds	333,736	–	–	333,736
Investment in UITF	35,292	–	–	35,292
Total	₱369,028	₱265,344	₱–	₱634,372
Liability for which fair values are disclosed:				
Long-term debts	–	–	(17,178,008)	(17,178,008)
Total	₱–	₱–	(₱17,178,008)	(₱17,178,008)

There were no transfers between levels of fair value measurement as at December 31, 2025 and 2024.

33. Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business 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 adjust the dividend payments to shareholders or issue new shares. No changes were made in the objectives, policies or processes during 2025 and 2024.

The table below summarizes the total capital considered by the Group:

	2025	2024
Capital stock – ₱1 par value (Note 18)	**₱3,559,533**	₱3,559,533
APIC (Note 18)	**19,650,936**	19,650,936
Subscription receivable (Note 18)	**(4,841,801)**	(4,841,801)
Revaluation increment on land (Note 9)	**963,460**	963,460
Remeasurement gain on retirement benefits liability (Note 25)	**173,437**	143,381
Cost of 1,980,000 treasury shares held by a subsidiary	**(23,267)**	(23,267)
Retained earnings	**21,548,640**	21,796,790
Cumulative translation adjustments (Note 18)	**5,492,411**	5,032,330
Non-controlling interest (Note 18)	**3,410**	1,478
	₱46,526,759	₱46,282,840

34. Commitments and Contingencies

CCC

Power Agreements

In June 2008, CCC entered into a power supply agreement with Cebu III Electric Cooperative, Inc. (CEBECO III) for the supply of 2MW of firm electric power at agreed prices.

On June 5, 2012, CCC signed a 12-year Electric Power Purchase Agreement (EPPA) with Toledo Power Company (TPC). Pursuant to the terms of the EPPA, TPC will build and operate a 72-megawatt net output clean coal-fired power plant in Toledo City (the Plant) that will guarantee the supply of up to 60 megawatts of electric power to the CCC's mining operations upon its commissioning. The power plant was completed in December 2014.

On December 15, 2014, CCC and TPC executed a 12-year Energy Conversion Agreement pursuant to which CCC shall supply to TPC the coal needed to generate electric power from the plant under the terms of the EPPA with a total contract capacity of 53MW.

The EPPA was renegotiated and amended for the period of April 26, 2019 to April 25, 2021 with a fixed rate of Php3.50 per kWh. The contract renew for another two years from April 26, 2021 to April 25, 2023 at a fixed rate of Php3.39 per kWh. However, the contract was terminated on August 25, 2022 due to the increase in fuel prices. TPC offered a new agreement effective August 26, 2022 until April 25, 2023, with a fixed rate of Php1.39 per kWh for the non-fuel component, while CCC will provide the fuel component under ECA-like terms.

On 14 April 2023, the 20MW EPPA was converted to ECA with a fixed non-fuel component of ₱1.606 per kWh with a validity period of one year ending on 25 April 2024. On 08 April 2024, CCC extended the Cooperation Period of the 20MW ECA until 25 December 2026 at a fixed non-fuel rate of ₱2.45/kWh.

Total utilities expense related to the said power agreements amounted to ₱2,760,716, ₱3,782,088 and ₱3,355,464 in 2025, 2024 and 2023, respectively. Related accrued expenses amounted to ₱23,865 and ₱22,980 as at December 31, 2025 and 2024, respectively.

Fuel and Lubricants Supply Agreements

On November 2022, the Company had entered into a contract for sale and purchase commitments with Shell Pilipinas Corporation. The agreement states the CCC shall purchase fuel products exclusively from Shell until October 31, 2025 and Shell shall extend to CCC a credit term of "M-30" meaning that purchases during any given calendar month are payable on or before the 30th day of the succeeding calendar month. A Group wide procurement on fuel purchase was set out beginning in October 2025 wherein the fuel supply agreement with Shell was consolidated thru 2GO Group, Inc. (2GO). Pending further review, assessment and execution of a new contract, the existing Fuel Supply Agreement was extended until April 30, 2026 with the same terms and conditions except for the fuel pricing which shall follow the agreed formula effective from November 8, 2025 as stated in the Notice of Award issued by 2Go on October 24, 2025.

Total expenses related to the fuel supply agreement amounted to ₱2,121,834, ₱2,456,151 and ₱2,070,893 in 2025, 2024 and 2023, respectively. Accrued expenses amounted to nil as at December 31, 2025 and 2024, respectively.

Legal Contingencies

The Company is a party to minor labor cases arising from its operations. The Company's management and legal counsel believe that the eventual resolution of these cases will not have a material effect on the Company's financial statements. Accordingly, no provision for probable losses was recognized by the Company in 2025, 2024 and 2023.

Collective Bargaining Agreement (CBA)

A new CBA was executed on January 30, 2015 (the 2015 CBA). The 2015 CBA shall be valid as to the representation aspect for a period of five years. Under the provisions of the Labor Code, the economic provisions of the 2015 CBA shall be re-negotiated on the third anniversary of its execution.

On January 31, 2018, CCC and the Union agreed and signed on the economic terms of the remaining two-year term of the 2015 CBA.

On October 9, 2020, a run-off elections for the Union amongst rank-and-file employees of CCC was held under the supervision of the Department of Labor and Employment (DOLE) Region VII.

On April 29, 2021, a new five-year CBA (the 2021 CBA) was executed by CCC and the Union commencing on May 1, 2021 until April 30, 2026. The 2021 CBA shall be valid as to the representation aspect for a period of five years. Under the provisions of the Labor Code, the economic provisions of the 2021 CBA shall be re-negotiated on its third year.

On April 29, 2024, the economic provisions of the remaining two-year term of the 2021 CBA was successfully amended and signed by the Parties.

Consignment Agreements

Orica Philippines, Inc.

CCC has a consignment agreement with Orica Philippines, Inc. for the supply of explosives and blasting accessories for use in mining and mine development activities. The consignment agreement ensures the availability of the goods covered thereby and pegs a price range for the supply of such goods during the period of effectivity. The agreement was renewed last July 1, 2024 until June 30, 2027 with a payment terms of 45 days of the date of the invoice issued by the supplier (other than in the months of February and August for which invoiced amounts must be paid on or before 25th of the following month).

Shorr Industrial Sales, Inc.

The Company has a consignment agreement with Shorr Industrial Sales, Inc. for the supply of parts and tools for heavy equipment in 2023. The agreement was extended in principle in 2024 and in 2025 subject to the same terms and conditions without any price escalation. The Company will close-out the formal contract to be executed by the Parties in 2026.

Le Price International Corporation

While the renewal of the contract is still pending, Le Price maintained the same terms and conditions including the fixed service fees until a new contract will be executed. As of 31 December 2025, the renewal of the consignment contract is still being reviewed by Le Price pending an evaluation of the pricing mechanism acceptable to the parties. Le Price is expected to provide a new pricing mechanism for discussion by the parties within the first quarter of 2026.

Morse Hydraulics

CCC has a consignment agreement with Morse Hydraulics for the supply of hydraulic hoses and fittings at established price list. The agreement expired on January 14, 2021. The agreement was renewed with an 8% price adjustment with a lock-on period of three years beginning January 1, 2024 until December 31, 2026.

Atlas Copco Phils.

CCC has a consignment agreement with Atlas Copco (now Epiroc Philippines Inc.) for the supply of drill equipment parts and accessories. This ensured the availability of the critical parts required for continued operations and pegs a price range for the supply of such goods during the period of effectivity. The agreement was renewed in April 2024 with a validity period of 1 year. While the renewal of the contract and price adjustments remains pending, the terms and conditions including the price are maintained until a new contract will be executed. The contract is still currently under negotiation for renewal subject to an acceptable pricing mechanism to be agreed by the parties.

Maxima Machineries, Inc.

CCC has a consignment agreement with Maxima Machineries, Inc. for the supply of excavators, dump trucks, bulldozers and other heavy equipment parts and accessories. This ensured the availability of the critical parts required for continued operations, and pegs a price range for the supply of such goods during the period of effectivity. The consignment agreement has been renewed in December 2021 for a period of three years ending in December 2024 and a contract extension in a form of a Service Level Agreement was signed by CCC in November 2025. The Agreement sets out the agreed mechanical availability guarantee to ensure direct and timely delivery of replacement parts on the part of Maxima Machineries Inc. However, the parties agreed on an 11% price adjustment that took effect in October 2024 until July 2025.

35. **Other Matters**

a. SDMP
The five-year SDMP plans of the Company covering years 2014-2018, years 2019-2023 and years 2024-2028, in compliance with DENR Administrative Order 2010-21, were duly approved by the MGB. In 2025 and 2024, the actual expenditures and commitments under the SDMP amounted to ₱160,309 and ₱137,364, respectively. These expenditures relate to community development projects and programs implemented in the host and neighboring communities of the Company's mining operations.

The Company has a five-year SDMP in compliance with DENR Administrative Order 2010-21, as amended. The Company has been implementing its SDMP as approved by the MGB.

b. Operating Agreement (the Agreement) with CCC
On May 5, 2006, the Parent Company and CCC executed the Agreement wherein the Parent Company conveyed to CCC its exploration, development and utilization rights with respect to certain mining rights and claims (the "Toledo Mine Rights") and the right to rehabilitate, operate and/or maintain certain of its fixed assets.

In consideration of CCC's use of the Toledo Mine Rights, the Agreement provides that CCC shall pay the Parent Company a fee equal to 10% of the sum of the following:

a. Royalty payments to third party claim holders of the Toledo Mine Rights,
b. Lease payments to third party owners of the relevant portions of the parcels of land covered by the surface rights, and
c. Real property tax payments on the parcels of land covered by the surface rights and on the relevant fixed assets.

On March 10, 2010, the Parent Company and CCC agreed on a royalty payment arrangement and on the computation of the basis of royalty income which is 2% of the gross sales by CCC of copper concentrates.

Pursuant to the Operating Agreement, the BOD of the Parent Company approved the moratorium on its entitlement to receive royalties from the Company for the years 2025, 2024 and 2023.

c. Enhanced Fiscal Regime for Large-Scale Metallic Mining Act or RA No. 12253 (RA 12253)
On September 4, 2025, RA No. 12253, otherwise known as the "Enhanced Fiscal Regime for Large-Scale Metallic Mining Act", was signed into law. It took effect 15 days after its complete publication in the Official Gazette and in newspapers of general circulation or September 20, 2025. The Implementing Rules and Regulations (IRR) of RA No. 12253 were promulgated on December 18, 2025, although the transitory clause provides that large-scale metallic mining contractors and/or operators shall immediately be subject to the fiscal regime provided therein after 150 days from the date of effectivity or February 17, 2026.

RA No. 12253 applies to large-scale metallic mining operations, or the exploration, development and utilization of metallic minerals under a mineral agreement or Financial or Technical Assistance Agreement (FTAA). Patented mining claims validly located and perfected under the Philippine Bill of 1902, which have thereby been segregated from the public domain and vested with private ownership, and which have been expressly excluded from the coverage of any mineral agreement or FTAA, shall not be subject to the taxes imposed under Section 15L-A of the National Internal Revenue Code, as amended by RA No. 12253, except as may be otherwise determined by the Supreme Court of Philippines.

The following, among others, are the salient provisions of RA No. 12253:

- Income from metallic mining operations is defined as gross output less deductions directly attributable to mining operations, which include:
    - Mining, milling, transporting, and handling expenses together with smelting and refining costs incurred, which refer to ordinary and necessary costs incurred in the extraction and processing of minerals
    - General and administrative expenses actually incurred by the metallic mining contractor or operator
    - Environmental expenses of the metallic mining contractor or operator,
    - Expenses for the development of host and neighboring communities and of geosciences and mining technology
    - Lease and royalty payments which shall refer to necessary payments made by the contractor or operator to claim owners, or surface landowners, and/or lndigenous Cultural Community or lndigenous People relating to the contract area during the operating period
    - Continuing exploration and development expenses, which shall refer to costs incurred within the contract area after the pre-operating period for further exploration and development of the mining project
    - lnterest expenses which shall refer to amounts paid or incurred on loans that are necessary for mining operations, subject to the financing requirement under the mineral agreement or FTAA, provided that interest incurred on related-party debts of metallic mining contractors or operators, in excess of a quarterly related-party debt-to-equity ratio of 2:1 at any time during a taxable year shall not be allowed as a deduction under Section 3a(B) of the Tax Code, as amended
    - Depreciation, depletion, or amortization, which shall refer to deductions representing the systematic allocation of the cost of tangible and intangible mining assets over their useful life or productive period
    - Duties, fees, charges, and taxes, which shall refer to compulsory payments imposed under existing laws and regulations, other than royalty as provided in this Section 151-A and the windfall profits tax under Section 151-B of the Tax Code, as amended
- Margin, for purposes of calculating the royalty tax, is defined as the ratio of income from large-scale metallic mining operations to gross output while for purposes of calculating the windfall profits tax, 'windfall' or 'margin' is defined as the ratio of 'net income from large-scale metallic mining operations' to gross output.
- Royalty of 5% on the gross output of the minerals or mineral products extracted or produced by large-scale metallic mineral operations within mineral reservations.
- Margin-based royalty ranging from 1% to 5% on income of large-scale metallic operations outside mineral reservations. If the margin of large-scale metallic mining operations outside mineral reservations is less than or equal to 0%, a minimum royalty of 1/10 of 1% of the gross output of the minerals or mineral products extracted or produced shall be imposed
- Large-scale metallic mining operations shall be subject to a windfall profits tax on net income from metallic mining operations. The windfall profits tax rate is based on margin and ranges from 1% to 10%. For purposes of calculating the windfall profits tax, windfall or margin refers to the ratio of net income from large-scale metallic mining operations to gross output except that allowable tax deductions shall include corporate income tax and royalty tax. Further, for the purpose of computing the windfall or margin, the optional standard deduction shall not be used. The windfall profits tax shall not be deductible from taxable income as defined in Section 31 of the Code.

- For purposes of computing and paying the royalty tax and windfall profits tax, the following shall be treated as a separate taxable entity:
  - A metallic mining contractor, with respect to each mineral agreement or FTAA that it holds and/or operates
  - Where there is more than one valid mining operator under the same mineral agreement or FTAA, each mining operator shall be deemed a separate taxable entity for its respective mining operations under each mineral agreement or FTAA
- The fiscal regime and revenue-sharing arrangement provided under RA No. 12253 shall accordingly be embodied, as appropriate, in the mineral agreements and FTAA on metallic mineral production entered into by the Philippines government. This fiscal regime and revenue-sharing arrangement shall continue to be in force and effect for the entire duration of the contracts so entered and executed after the enactment of RA No. 12253. Valid mineral agreements and FTAA existing prior to the effectivity of the IRR shall continue to be governed by their respective terms and conditions until the expiration of their periods, except if said agreements provide that terms and conditions resulting from the repeal or amendment of existing laws or regulations or from the enactment of new laws or regulations shall be considered written into and part of said mineral agreements and FTAAs.

As of December 31, 2025, the revenue regulations implementing changes to the Tax Code, as amended by RA No. 12253, have not yet been issued by the BIR.

RA No. 12253 is not considered substantively enacted as of December 31, 2025, because the transitory clause in the IRR provides that large-scale metallic mining contractors and/or operators shall be subject to the fiscal regime provided therein only on February 17, 2026.

The Group is currently assessing the impact of the amendments introduced by RA No. 12253 on its December 2026 financial statements based on the provisions of the IRR. The Group will reassess the impact of RA No. 12253 on its financial statements after the relevant revenue regulations have been issued by the BIR.

d. Impacts of the Macroeconomic, Regulatory and Geopolitical Environment
The Group's financials could be influenced by the effects of the broader macroeconomic, regulatory and geopolitical environment. Fluctuation of US dollar relative to other currencies and rising inflation may affect the Group's reported levels of revenue and profits. The imposition of new tariffs and changes to existing tariffs, along with the possibility of reciprocal tariffs, may impact businesses across industries. Geopolitical conflicts can have major economic impact on the affected regions.

Whilst these developments had no material impact on the Group's business, their scale and duration remain uncertain to date. It is not possible to estimate the impact of the near-term and longer effects of such events. The Group will continue to closely monitor the progress of these situation.

e. Available Credit Facilities
As of December 31, 2025, the Group has existing credit facilities with BDO, CBC and Security Bank which it can utilize to settle currently maturing obligations.

CBC
CCC entered into a term loan agreement with CBC for a total facility amounting to US$420.0 million (see Note 16). In addition, the Group maintains several short-term credit facilities with CBC, including a US$50.0 million loan line, US$5.0 million FX PSR, US$5 million FX SR limit, and a ₱200.0 million Bills Purchased Line. These facilities provide total available limits of US$60.0 million and ₱200.0 million, and are subject to renewal under CBC's standard terms and conditions.

BDO
CCC entered into a term loan agreement with BDO for a total facility amounting to US$420.0 million (see Note 16). In addition, the Group maintains approved short-term credit facilities with BDO, consisting of a US$35.0 million omnibus line with sub-limits for letters of credit/trust receipts, Credit Line 1, and standby letters of credit, all capped at US$35.0 million each. The Group also holds PHP-denominated facilities, including a ₱10.0 million corporate credit card line, ₱400.0 million foreign exchange pre-settlement line, and a ₱50.0 million domestic bills purchased line. These facilities are available until March 31, 2026, subject to renewal.

Standard Chartered Bank (SCB)
The Group maintains designated facilities with SCB, consisting of US$25.0 million short-term loans, US$25.0 million loans against trust receipts, secured import L/Cs of US$25.0 million, and unsecured import L/Cs of US$25.0 million, supporting trade and short-term liquidity requirements.

36. Supplemental Disclosure to Consolidated Statements of Cash Flows

The following table summarizes the changes in liabilities arising from financing activities:

		Cash flows				
	January 1, 2025	**Availments**	**Payments**	**Effect of exchange rate changes**	**Others**	**December 31, 2025**
Long-term debts	**₱17,178,008**	**₱–**	**(₱1,316,896)**	**₱279,392**	**₱15,690**	**₱16,156,194**
Principal portion of lease liability	**3,753**	**–**	**(2,959)**	**–**	**204**	**998**
	₱17,181,761	**₱–**	**(₱1,319,855)**	**₱279,392**	**₱15,894**	**₱16,157,192**

	January 1, 2024	Availments	Payments	exchange rate changes	Others	December 31, 2024
Long-term debts	₱17,162,383	₱–	₱–	₱2,304	₱13,744	₱17,178,008
Principal portion of lease liability	6,160	–	(2,818)	–	411	3,753
	₱17,168,543	₱–	(₱2,818)	(₱2,304)	₱14,155	₱17,181,761

The other non-cash activities of the Group pertain to the recognition and amortization of debt issue costs on its long-term debts, recognition of interest expense on lease liability under PFRS 16 and acquisition of the NCI.

37. Events After the End of the Reporting Period

Cancellation of the Authority to Issue Warrants

On January 23, 2026, the Parent Company's BOD approved the cancellation of its authority to issue 5.6 billion warrants, with the consent of major shareholders originally entitled to them. In return, the Parent Company, through its subsidiary, CCC, will pay the shareholders about Php1 billion, equivalent to a 1.0625% annual guarantee fee over five years, while ensuring the payments do not impact CCC's cash flow or profitability. The warrant termination agreement is currently undergoing review by the Parent Company's principal and substantial shareholders for signing and execution.

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 the Board of Directors
Atlas Consolidated Mining and Development Corporation
Five E-com Center, Palm Coast Avenue corner Pacific Drive
Mall of Asia Complex 1300, Pasay City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Atlas Consolidated Mining and Development Corporation and Subsidiaries (the Group) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 9, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Eleanore A. Layug
Partner
CPA Certificate No. 0100794
Tax Identification No. 163-069-453
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 100794-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-097-2023, September 12, 2023, valid until September 11, 2026
PTR No. 10765063, January 2, 2026, Makati City

March 9, 2026

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 COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Atlas Consolidated Mining and Development Corporation
Five E-com Center, Palm Coast Avenue Corner Pacific Drive
Mall of Asia Complex 1300, Pasay City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Atlas Consolidated Mining and Development Corporation and Subsidiaries (the Group) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 9, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Eleanore A. Layug
Partner
CPA Certificate No. 0100794
Tax Identification No. 163-069-453
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
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PTR No. 10765063, January 2, 2026, Makati City

March 9, 2026

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
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ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES

COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS PURSUANT TO THE REVISED SRC RULE 68, AS AMENDED

DECEMBER 31, 2025

Ratio	Formula	Current Year	Prior Year
Current Ratio	Total Current Assets divided by Total Current Liabilities Total Current Assets 6,907,701 Divide by: Total Current Liabilities 19,318,409 Current Ratio 0.36	0.36	0.92
Acid test ratio	Quick assets *(Total Current Assets less Inventories and Other Current Assets)* divided by Total Current Liabilities Total Current Assets 6,907,701 Less: Inventories 991,596 Other current assets 2,437,921 Quick assets 3,478,185 Divide by: Total Current Liabilities 19,318,409 Acid test ratio 0.18	0.18	0.42
Solvency ratio	Net Income (loss) After Tax Plus Depreciation, Amortization and Depletion divided by Total Liabilities Net Income After Tax (246,218) Add: Depreciation and Depletion 5,054,648 Net Income After Tax Plus Depreciation, Amortization and Depletion 4,808,430 Divide by: Total Liabilities 21,846,066 Solvency ratio 0.22	0.22	0.22
Debt-to-equity ratio	Total Liabilities divided by Total Equity (Excluding Cumulative Translation Adjustment and Treasury Shares) Total Liabilities 21,846,066 Divide by: Total Equity Total Equity 46,526,759 Less: Cumulative translation adjustment 5,492,411 Add: Treasury Shares 23,267 Subtotal 41,057,613 Debt-to-equity ratio 0.53	0.53	0.57

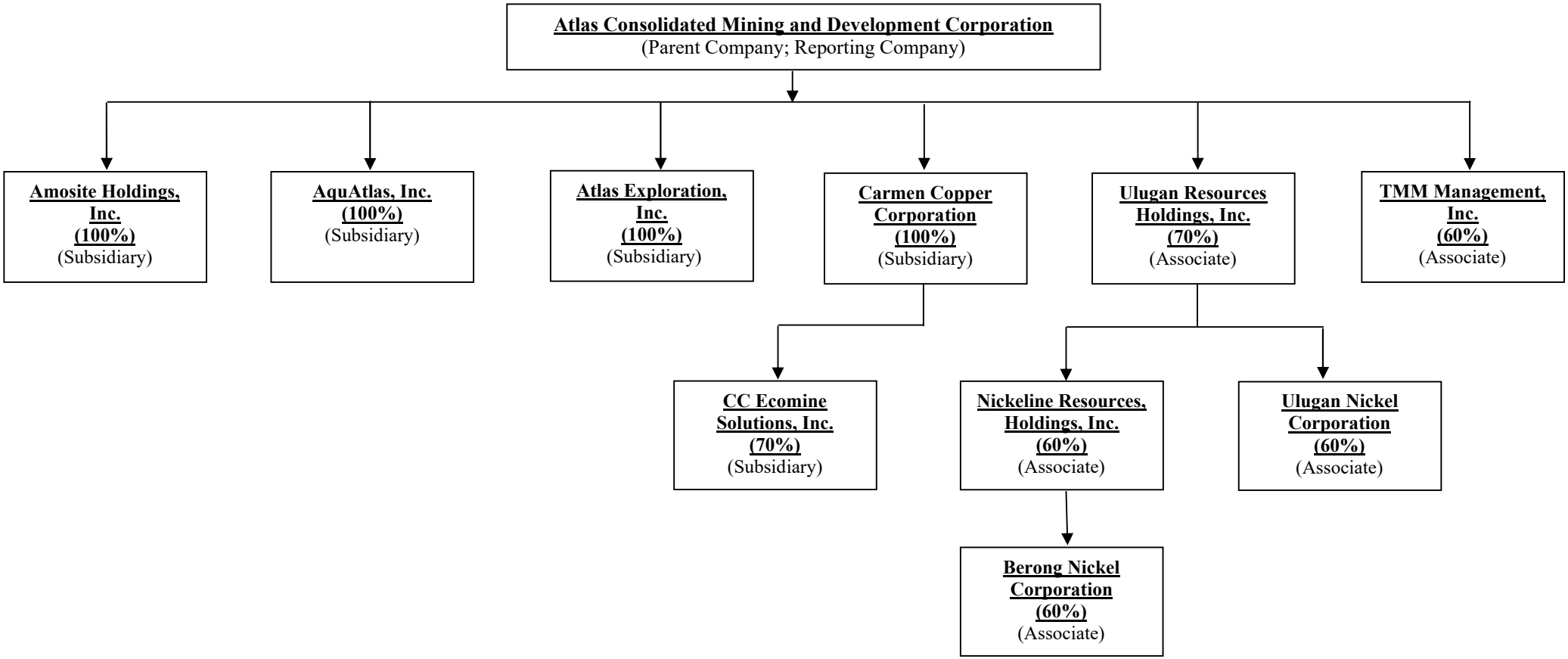
Ratio	Formula		Current Year	Prior Year
Asset-to-equity ratio	Total Assets divided by Total Equity *(Excluding Cumulative Translation Adjustment and Treasury Shares)*		1.67	1.69
	Total Assets	68,372,825		
	Divide by: Total Equity			
	Total Equity	46,526,757		
	Less: Cumulative translation adjustment	5,492,411		
	Add: Treasury Shares	23,267		
	Subtotal	41,057,613		
	Asset-to-equity ratio	1.67		
Interest rate coverage ratio	Earnings Before Interest and Taxes divided by Interest Expense		0.88	0.71
	Net Loss Before Tax	(76,410)		
	Add: Finance Charges	632,724		
	Earnings Before Interest and Taxes	556,314		
	Divide by: Finance Charges	632,724		
	Interest rate coverage ratio	0.88		
Return on equity	Net Loss After Tax divided by Total Equity *(Excluding Cumulative Translation adjustment and Treasury Shares)*		(0.53%)	(0.50%)
	Net loss After Tax	(246,218)		
	Divide by: Average Total Equity			
	Equity at beginning of the year	46,282,839		
	Equity at end of the year	46,526,757		
	Average Total Equity	46,404,798		
	Return on equity	(0.53%)		
Return on assets	Net Loss After Tax divided by Total Assets		(0.36%)	(0.33%)
	Net Loss After Tax	(246,218)		
	Divide by: Average Total Assets			
	Assets at beginning of the year	69,859,286		
	Assets at end of the year	68,372,825		
	Average Total Assets	69,116,056		
	Return on assets	(0.36%)		
Net profit margin	Net Income After Tax divided by Total Revenue		(1.43%)	5.92%
	Net Income After Tax	(246,218)		
	Divide: Total Revenue	17,192,348		
	Net profit margin	(1.43%)		

Ratio	Formula	Current Year	Prior Year
Operating profit margin	Net Income Before Tax divided by Total Revenue Net Income Before Tax (76,410) Divide: Total Revenue 17,192,348 Net profit margin (0.44.%)	(0.44%)	(1.00%)
Gross profit margin	Gross Profit Tax *(Total Revenues less Cost of Sales)* divided by Total Revenue Total Revenues 17,192,348 Less: Cost of Sales (Mining and Milling Costs) 14,014,445 Gross Profit 3,177,903 Divide: Total Revenue 17,192,348 Net profit margin 18.48%	18.48%	13.89%

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES

MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP PURSUANT TO THE REVISED SRC RULE 68, AS AMENDED

DECEMBER 31, 2025



RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

As of December 31, 2025

(Amounts in thousands)

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES

Five Ecom Center, Palm Coast Avenue corner Pacific Drive, Mall of Asia Complex (1300), Pasay City

Unappropriated Retained Earnings, beginning of reporting period		**₱267,223**
Add: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	₱ –	
Effect of restatement or prior period adjustments	–	
Others	–	–
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	–	
Others	–	–
Unappropriated Retained Earnings, as adjusted		**267,223**
Add/Less: Net loss for the current year		**(23,910)**
Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	–	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	–	
Unrealized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVPTL)	(10,438)	
Unrealized fair value gain of Investment Property	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–	
Sub-total		**(10,438)**
Add: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	–	
Realized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVPTL)	7,046	
Realized fair value gain of Investment property	–	
Other realized gains or adjustments to retained earnings as a result of certain transactions accounted for the PFRS	–	
Sub-total		**7,046**

Add: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	₱–	
Reversal of previously recorded fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVPTL)	–	
Reversal of previously recorded gain of Investment Property	–	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	–	
Subtotal		–
Adjusted Net Income/Loss		**239,921**
Add: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Unrealized actuarial loss	–	
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	–	
Subtotal		–
Add/Less: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	–	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	–	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction	–	
Adjustments due to deviation from PFRS/GAAP – gain (loss)	–	
Others	–	
Sub-total		–
TOTAL RETAINED EARNINGS, END OF THE REPORTING PERIOD AVAILABLE FOR DIVIDEND		**₱239,921**

SCHEDULE A

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
FINANCIAL ASSETS
DECEMBER 31, 2025

Name of issuing entity and association of each issue	Number of shares or principal amounts of bonds and notes	Amount shown in the balances sheet (figures in thousands)	Values based on market quotation at end of reporting period	Income received and accrued
Cash on hand	–	**₱8,256**	N/A	~~₱~~ –
Cash in bank	–	**408,618**	N/A	4,204
Cash equivalents	–	**604,611**	N/A	35,023
Short-term investments	–	**1,593,507**	**1,593,507**	–
Receivables				
Trade	–	**798,746**	N/A	–
Non-trade	–	**43,268**	N/A	–
Interest	–	**3,284**	N/A	–
Advances to				
Related parties	–	**17,830**	N/A	–
Officers and employees	–	**4,743**	N/A	–
Investment in pooled funds	–	**452,712**	**452,712**	–
Investment in unit investment trust fund	N/A	**37,134**	**37,134**	–
Refundable deposits	–	**3,270**	N/A	–

SCHEDULE B

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
AMOUNTS RECEIVABLE FROM DIRECTORS, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2025

Name and Designation of Debtor	Balance at Beginning period	Additions	Amounts Collected / Settlements	Amounts Written-off	Current	Not Current	Balance at end period
NONE							

SCHEDULE C

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
AMOUNTS RECEIVABLE / PAYABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2025

Name and Designation of Debtor	Balance at Beginning period	Additions	Amounts Collected	Amounts Written-off	Current	Not Current	Balance at end period
CCC	(₱7,242,766,466)	(₱15,725,866)	₱–	₱–	(₱7,258,492,332)	₱–	(₱7,258,492,332)
AEI	105,885,391	–	(₱109,466)	–	105,775,925	–	105,775,925
AI	32,400,103	–	–	–	32,400,103	–	32,400,103
AHI	(1,432,328)	–	–	–	(1,432,328)	–	(1,432,328)
CCESI	72,816	–	–	–	72,816	–	72,816

SCHEDULE D

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
LONG-TERM DEBT
DECEMBER 31, 2025

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	Interest rates	Number of periodic installment payments	Maturity date
China Banking Corporation – *Form of Note 1*	₱–	₱8,270,002	₱–	3.75%	N/A	November 6, 2026
Banco De Oro (BDO) Unibank, Inc. – *Form of Note 1*	–	3,405,735	–	3.75%	N/A	November 6, 2026
BDO Unibank, Inc. – *Form of Note 2*	–	2,937,196	–	3.75%	N/A	November 6, 2026
China Banking Corporation – *Form of Note 2*	–	1,543,261	–	3.75%	N/A	November 6, 2026
	₱–	₱16,156,194	₱–			

SCHEDULE E

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
INDEBTEDNESS TO RELATED PARTIES
(LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2025

Name of Related Party	Balance at beginning of period	Balance at end of period
NONE		

SCHEDULE F

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2025

Name of issuing entity of securities guaranteed by the Parent 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 G

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
CAPITAL STOCK
DECEMBER 31, 2025

The Parent Company's authorized share capital is ₱8.89 billion divided into 8.89 billion shares at ₱1 par value. As at December 31, 2025, total shares issued and subscribed is 3,559,532,774 held by 20,655 shareholders. The Parent Company has 1,472,500,000 subscribed shares as at December 31, 2025.

Title of Issue	Number of shares authorized	Number of shares issued and subscribed as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversions and other rights	Number of shares held by related parties	Directors, officers, and employees	Others
Common Stock	8,890,000,000	3,559,532,774	–	2,616,455,535	106,322,417	836,754,822

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
Supplementary Schedule of External Auditor Fee-Related Information
December 31, 2025

Audit and Non-audit fees of related entities

	Current Year **2025**	Prior Year 2024
Total Audit Fees	**₱4,025,000**	₱3,727,500
Non -audit service fees:		
Tax services	**180,000**	200,000
All other services	**382,500**	–
Total Non-audit fees	**562,500**	200,000
Total Audit and Non-audit fees	**₱4,587,500**	₱3,927,500

Audit and Non-audit fees of other related entities

	Current Year **2025**	Prior Year 2024
Audit Fees	**₱ –**	₱ –
Non -audit service fees:	**–**	–
Tax services	**–**	–
All other services	**–**	–
Total Audit and Non-audit fees	**₱ –**	₱ –