COVER SHEET

11341
SEC Registration Number

BENGUET CORPORATION

(Group's Full Name)

7th Floor, Universal Re Building,
106 Paseo de Roxas, Makati City

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

Mr. Reynaldo P. Mendoza
(Contact Person)

8812-1380
(Group Telephone Number)

1 2	3 1		17-A			
Month	*Day*		(Form Type)		*Month*	*Day*
(Calendar Year)					(Annual Meeting)	

Not Applicable
(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

16,870
Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

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ANNEX "A" – 2023 SUSTAINABILITY REPORT

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS (ACFS 2023)

BENGUET CORPORATION & SUBSIDIARIES 2023 AUDITED CONSOLIDATED FINANCIAL STATEMENTS (ACFS) WITH BIR STAMPED RECEIVED

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS (PAFS)

BENGUET CORPORATION (PARENT) 2023 AUDITED FINANCIAL STATEMENTS (PAFS) WITH BIR STAMPED RECEIVED

SEC FORM 17-A

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

1. For the fiscal year ended ….......**DECEMBER 31, 2023**..

2. SEC Identification Number ....**11341**........... 3. BIR Tax Identification No. ...**000-051-037**....

4. Exact name of issuer as specified in its charter ....**BENGUET CORPORATION**..................

5. ....**PHILIPPINES**...............................
Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
Industry Classification Code:

7. **7F UNIVERSAL RE-BUILDING, 106 PASEO DE ROXAS, MAKATI CITY** ....**1226**...........
Address of principal office Postal Code

8. .... **(632) 8812-1380** ....
Issuer's telephone number, including area code

9. ....
Former name, former address, and former fiscal year, if changed since last report.

1. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class		Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of December 31, 2023)
Convertible Preferred Class A	₱3.43 par value	217,061 shares
Common Class A Stock	₱1.00 par value	375,120,008 shares*
Common Class B Stock	₱1.00 par value	248,064,121 shares*

(*) – Net of Treasury Shares

Total consolidated outstanding principal loans payable as of December 31, 2023- ₱85.06 Million

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

Yes [**X**] No [ ]

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

The Convertible Preferred Class A, Common Class A and Common Class B shares of the Company are listed in the Philippine Stock Exchange (PSE).

12. Check whether the issuer:

    (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

    Yes [**X**] No [ ]

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

    Yes [ ] No [**X**]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form.

    Not Applicable.

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

    Yes [ ] No [ ]

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

    (a) Any annual report to security holders;
    (b) Any information statement filed pursuant to SRC Rule 20;
    (c) Any prospectus filed pursuant to SRC Rule 8.1.

PART I – BUSINESS AND GENERAL INFORMATION

ITEM 1. BUSINESS

1. BUSINESS DEVELOPMENT

Benguet Corporation (the "Company" or "Benguet") is a publicly-listed company that pioneered modern mining in the Philippines. It was established on August 12, 1903 to engage in gold mining. It has since expanded into refractory chromite operation in 1934, quicklime and hydrated lime production in 1950, copper production in 1971, and then into nickel mining operation in 2007. From Benguet Consolidated Mining Company in the 1900s to Benguet Consolidated Inc. in the decades of the 1950s to 1980s, and finally to its present corporate name, Benguet Corporation, the Company looks with pride at its 120 years of existence as a testament to its enduring legacy in mining excellence, sustainable practices and community development in the face of challenges brought about by global events, natural phenomena, economic conditions, and industry trends.

Benguet operates gold mines in Benguet Province, nickel mines in Zambales Province and limestone production facility in Baguio City. It also continues to hold interests in Ampucao Copper-Gold, Pantingan Copper-Gold, Zamboanga Gold, Surigao Coal, the Ilocos Norte and Apayao FTAA prospects, all in the Philippines and as well as mining properties in Royston Hills, Nevada. Aside from mining and mineral exploration, the Company is also into healthcare and diagnostics services through its subsidiary, Benguetcorp Laboratories, Inc. (BCLI) and port and shipping services through its subsidiary, Keystone Port Logistics and Management Services Corporation (Keystone). In 1980, the Company established Benguet Management Corporation (BMC), a wholly owned non-mining subsidiary, primarily to invest in projects and enterprises that diversify, stabilize and strengthen the investment portfolio of the Benguet Group of Companies. BMC is involved in other lines of business which include logistics services through its subsidiary, Arrow Freight and Construction Corporation (AFCC) (formerly Arrow Freight Corporation); trading of construction materials, equipment and supplies through its subsidiary, Benguetrade, Inc. (BTI); bottled and bulk water through Aqua de Oro Ventures Corporation (AOVC); and real estate development and lime kiln operation through its subsidiary, BMC Forestry Corporation (BFC).

In 1950, Benguet acquired the Irisan Lime Project (ILP) from Mr. Richard L. Lile (formerly Lime Products Manufacturing). ILP is engaged in the production and trading of quicklime and hydrated lime.

In 2002, Benguet reopened Benguet Gold Operation (BGO) on a limited scale through the Acupan Contract Mining Project (ACMP) now renamed as the Acupan Gold Project (AGP). ACMP was initially conceived as a community based underground mining operation which started commercial operation in January 2003.

In 2007, Benguet developed the Sta. Cruz Nickel Project (SCNP), a surface nickel mining operation in Zambales Province operated by its wholly owned subsidiary, Benguetcrorp Resources Management Corporation (BMRC). On December 10, 2010, the Company transferred the mining permit denoted as Mineral Production Sharing Agreement (MPSA) No. 226-2005-III of its SCNP, to BRMC. The transfer of the MPSA was approved by the Mines and Geosciences Bureau (MGB) on January 16, 2012.

For the past three years, Benguet and its subsidiaries have not been involved in any bankruptcy, consolidation, or purchase/sale of significant amount of assets not in the ordinary course of business.

MINING OPERATIONS

Benguet Gold Operation (BGO) in Itogon, Benguet Province:
Gold production in 2023 decline to 5,931.97 ounces from 9,402.31 ounces in 2022, 10,675.01 ounces in 2021 and 7,914.60 ounces in 2020. Lower production is due to lower ore milled this year. AGP milled a combined 29,195 tons of ore at an average mill head of 6.18 grams of gold this year, lower compared to 47,516 tons milled at an average mill head of 6.13 grams of gold in 2022, 56,753 tons milled at an average mill head of 5.86 grams of gold in 2021, and 43,756 tons of ore at an average mill head of 5.67 grams of gold in 2020.

Revenue in 2023 amounted to ₱627.5 million, lower versus ₱915.4 million in 2022, ₱946.5 million in 2021, and ₱704.3 million in 2020. Decline in revenue is attributed to the lower gold sold this year partly offset by the higher price of gold. Gold sold in 2023 decreased by 38% to 5,803.21 ounces from 9,363.56 ounces in 2022, 46% lower versus 10,685.25 ounces in 2021, and 27% lower versus 7,978.86 ounces in 2020. This resulted to a pre-tax loss of ₱7.2 million in 2023, a reversal from the pre-tax income of ₱29.2 million in 2022, pre-tax income of ₱133.1 million in 2021, and pre-tax income of ₱100.3 million in 2020.

For 2023, BC Team encountered many challenges in looking for areas to develop that will yield higher grades and volume of gold. The areas developed failed to produce the expected ore grades. This resulted to a decline in ore milled and gold production.

Management decided to implement a restructuring of operation while looking for a new area to develop that will provide higher grades and volume of gold.

On the BGO Tailings Project, search for new technologies that will yield higher recovery of gold is on-going. The previous study conducted to reprocess the tailings using the ultra-fine grinding will yield only 63% recovery.

AGP has been ISO 14001:2015 recertified for environmental management system granted by an accredited certifying body, NQA Philippines. The recertification is valid until March 15, 2025 applicable to Mining and Processing of Gold. It is also a recipient of the runner-up award in the Safest Underground Mining Operation in 2023 Presidential Mineral Industry Environmental Award (PMIEA).

Sta. Cruz Nickel Project (SCNP) in Sta. Cruz, Zambales Province:
SCNP reported lower revenue in 2023 compared to 2022 and 2021 but higher than in 2020. Revenue for the year amounted to ₱1.7 billion versus ₱2.9 billion in 2022, ₱2.8 billion in 2021 and ₱818.3 million in 2020. The decline was attributed to lower volume sold and lower nickel price. SCNP sold 16 boatloads with an aggregate tonnage of 854,074 tons in 2023 versus 22 boatloads with an aggregate tonnage of 1,169,328 tons in 2022, 1,175,050 tons in 2021, and 483,952 tons in 2020. Nickel was sold at an average price of US$37.07/ton in 2023, versus US$46.97/ton in 2022, US$47.38/ton in 2021 and US$34.21/ton in 2020. This resulted to income of ₱397.0 million this year compared to ₱1.0 billion in 2022, ₱880.4 million in 2021 and ₱169.9 million in 2020.

Despite the drop in nickel prices primarily due to huge growth in supply of nickel pig iron from Indonesia and sluggish demand from China in 2023, the Company is optimistic that the future of nickel is still bright.

With the expected rebound of the market for nickel, SCNP continued its mining operation and activities in Area 2 and 3 in alignment with the approved 3-year Development and Work Program.

During the MGB III Second Regional Mining Summit held on June 8, 2023, BRMC was awarded the Highest Tenement, Safety and Health, Environment and Social Development (TSHES) Scorecard, and award for 4 Million Man-Hours Worked without Lost Time. SCNP maintain its ISO

14001:2015 certification from NQA Philippines. The certification is valid until February 3, 2026 applicable to Mining of Nickel Ore.

Irisan Lime Project (ILP) in Baguio City:
The Company's ILP generated ₱96.5 million revenue this year, lower than the ₱105.6 million in 2022 but higher than the ₱75.1 million income in 2021, and ₱63.2 million in 2020. Decrease in revenue is mainly due to lower volume of lime sold. This was partly offset by the increase of price this year. Lime products were sold at an average price of ₱15,703/DMT this year versus ₱14,587/DMT in 2022, ₱10,518/DMT in 2021, and ₱10,268/DMT in 2020. Pre-tax income amounted to ₱27.6 million in 2023, higher compared to ₱24.1 million in 2022, ₱19.7 million in 2021 and ₱15.6 million in 2020.

On November 17, 2023, ILP was awarded Safest Mineral Processing – Calcining Plant Category Award – Runner-Up by the Philippine Mine Safety and Environment Association and DENR-Mines and Geosciences Bureau.

Benguet Antamok Gold Operation (BAGO) in Itogon, Benguet Province:
The Antamok Final Mine Rehabilitation and Decommissioning Plan (FMRDP) has undergone rigorous evaluation by both the MGB-CAR and the Contingent Liability and Rehabilitation Fund Steering Committee (CLRFSC), resulting in comprehensive revisions and updates. Phase 1 activities are in progress within the framework of the Annual care and Maintenance Programs with an expenditure of ₱7.3 million this year bringing its expenditures to-date ₱16.6 million since 2017. Out of the budgeted total of ₱40.03 million for the FMRDP, BAGO has already allocated resources to various rehabilitation initiatives, including the Liang Emergency Spillway, Liang Channel, Reforestation activities, maintenance and patrolling of watershed areas, water quality monitoring, and solid waste management, as outlined in the annual Care and Maintenance Program or CMP to align with the FMRDP's objectives. Beyond outlining Decommissioning and Rehabilitation Plans for Antamok, the FMRDP also establishes dedicated funds to implement measures aimed at preventing and mitigating any identified risks and impacts stemming from previous project operation. Recenty, the FMRDP has already been approved by the CLRFC. The FMRDP is instrumental in ensuring the implementation of activities geared towards the sustainability of previously operated mine site areas.

EXPLORATION, RESEARCH AND DEVELOPMENT
Exploration, research and development are currently undertaken by the Company's in-house team, with or assisted by consultants and other service providers, like engineering and/or drilling contractors.

Balatoc Tailings Project (BTP) in Itogon, Benguet Province:
With the expiration and non-renewal of Mineral Processing Permit (MPP), BTP was reconveyed from wholly owned subsidiary, Balatoc Gold Resources Corporation (BGRC) to Benguet Corporation as viability of the tailings reprocessing project will be enhanced if made as an integral part of the Acupan Gold Project.

The Company currently updates the feasibility study on BTP that will reprocess the materials in its gold tailings stacking facility. BTP viability becomes more attractive given the higher prices of gold and the availability of new and modern technologies that would provide higher milling recovery rate, lesser capital expenditures, and power efficient machinery, tools and equipment. The viability study covers BTP adherence to ESG investing.

Pantingan Gold Prospect in Bagac, Bataan Province:
The Pantingan property is located in Bataan peninsula and is covered by MPSA No. 154-2000-III. It remains to be a viable prospect for epithermal gold mineralization and aggregates. The Company continues to implement the drilling program upon showing encouraging results from earlier drilling data which will provide necessary justifications in applying for Mineral Production Sharing Agreement (MPSA) renewal (which is due to expire in March 2025). On going works for

the renewal include conduct of topographic survey and environmental impact study. Other activities performed are the creation and maintenance of more access roads and drill pads, hole-to-hole transfer and mobilization of the drill-rigs, coring operation, hauling of core-boxes, quick structural logging of cores, cutting of cores into halves and sampling.

On the aggregates prospect, the Company continues to apply for permits including road-right-of-way in the 30-hectares Quarry Permit Area (QPA) outside the MPSA. Permits of 6 QPAs are expected to be completed at year-end. The large-scale quarry in PAB-1 and 2 still needs drilling for Declaration of Mining Project Feasibility (DMPF). In the QPA area, the MGB has issued area clearance while the NCIP has issued Certificate of Non-Overlap (CNO). The Company is working on LGU consent, tree inventory for Tree Cutting Permit and ECC process.

Ampucao Copper-Gold Prospect in Itogon, Benguet Province:
The Ampucao is a viable prospect for the discovery of deep-seated porphyry copper-gold deposit corresponding to surface and underground initial geological evaluation done by geologists of the Company. Copper bearing formation hosted by intensely silicified quartz diorite was delineated in outcropping on a river within the Hartwell claims and at the mine levels of 1500 and 2300 of BC's Acupan Mine. A one-(1) kilometer long deep hole of surface drilling has been suggested to probe the down-dip extension of the projected mineralization in the Ampucao prospect. This project is covered by the Company's Application for Production Sharing Agreement (APSA) which was converted to EXPA No. 0122-CAR pursuant to Section 9 of the Department of Environment and Natural Resources (DENR) DAO No. 2021-25.

Zamboanga Gold Prospect (BOLCO) in R.T. Lim Zamboanga del Sur:
The property is about 150 kilometers from Zamboanga City. It straddles the common boundary of R. T. Lim, Zamboanga Sibugay and Siocon, Zamboanga del Norte and is covered with Exploration Permit No. EP-012-2023-IX. The Company has an operating agreement with Oreline Mining Corporation to explore and operate the property comprising of 399.0288 hectares.

The Company has completed the requirement of consultation with concerned Sanggunian prior to the implementation of the approved Exploration Work Program (ExWP) and Environmental Work Program (EWP). After certification from concerned Sanggunian was obtained, exploration activities in the area commenced.

Surigao Coal Project in Lianga, Surigao del Sur:
The Company acquired a coal property in Surigao del Sur through a Royalty Agreement with Diversified Mining Company in 1981. The property consists of 12-coal blocks with a total area of 12,000 hectares. Six-(6) coal blocks were extensively explored by way of mapping, trenching, drilling, electrical logging and topographic surveying. The ground evaluation works of the Company resulted in the delineation of seven-(7) coal seams of lignitic to sub-bituminous coal quality (steam grade). The Company's application for a new Coal Operating Contract (COC) is under evaluation by the Department of Energy (DOE). Market prospects for local coal with low BTU remains to be a concern, considering DoE's preference for clean energy and global shift to net-zero emissions.

Financial Technical Assistance Agreement:
The Company and its subsidiary company, Sagittarius Alpha Realty Corporation (SARC), holds two (2) pending applications for Financial Technical Assistance Agreement (FTAA) denominated as AFTA No. 003 and AFTA No. 033. AFTA No. 003 with an area of 21,189.37 hectares covering four (4) individual parcels, is within the provincial jurisdiction of Ilocos Norte, whereas AFTA No. 033 consisting of 51,892.92 hectares covering two (2) individual parcels is situated in Apayao province. Both mineral claims lie within the porphyry copper-gold and epithermal gold mineralization belt of Northern Luzon and are still greenfield for mineral exploration. BC already negotiated and signed four-(4) out of the five-(5) Memoranda of Agreement (MOA) with the concerned Indigenous People (IP) for the AFTA No. 003, and now awaiting confirmation from the National Commission on Indigenous People (NCIP) of the Free, Prior and Informed Consent (FPIC) requirement.

SUBSIDIARIES AND AFFILIATES

A. <u>LOGISTICS</u>

- **Arrow Freight and Construction Corporation (AFCC)**

  AFCC, the logistics provider of the Company generated ₱92.4 million revenue this year, higher as compared to revenues of ₱81.0 million in 2022, ₱83.2 million in 2021 and ₱32.2 million in 2020. Revenues are derived from the 12% management fee in providing the logistical requirements of BRMC, ore loading and hauling using its own backhoes and dump trucks and equipment rental for the maintenance of tailing ponds and roads. Net income in 2023 amounted to ₱38.7 million, higher than the net income of P26.8 million in 2022, P17.9 million in 2021, and P11.6 million in 2020. Currently, AFCC has 11 units of dump trucks, 4 backhoes, water truck and 1 fuel tanker used for BRMC's ore loading, hauling, road maintenance and environmental maintenance activities. AFCC plans to organize its construction team in the first quarter of 2024 in preparation for participation in proposed infrastructure projects of the government in the areas of Zambales and Bataan and the aggregates project in Pantingan, Bataan. AFCC is also planning to purchase additional dump truck and construction equipment to start its construction business.

- **Keystone Port Logistics and Management Services Corporation (KPLMSC)**

  KPLMSC, the port and barging services provider of the Company generated ₱63.9 million revenue this year, lower as compared to ₱84.7 million revenue in 2022, ₱78.3 million revenue in 2021 and ₱33.0 million in 2020. The revenue came from the management fee in handling BRMC's 854,074 tons of nickel ore exports in 2023 against 1,169,328 tons in 2022, 1,175,050 tons in 2021, and 483,952 tons in 2020. Net income in 2023 amounted to ₱25.2 million lower than ₱40.8 million in 2022, ₱48.4 million in 2021 and ₱13.9 million in 2020. Repair of the southern side of the port was completed on November 15, 2023. This will allow better and efficient shipment process resulting in more shipments for BRMC and other potential port users in the area.

B. <u>REAL ESTATE</u>

- **BMC Forestry Corporation (BFC)**

  BFC manages the real estate projects and the lime kiln operation of Irisan Lime Project. BFC reported net income of ₱3.95 million this year, higher than the net income of ₱2.5 million in 2022, ₱1.8 million in 2021 and net loss of ₱0.4 million in 2020.

  BFC plans to acquire and develop new lots in La Union, Pangasinan or Tarlac as part of its plan to expand its real estate projects.

  Kelly Ecozone Project (KEP)

  Phased development activities of the proposed Kelly Ecozone Project (KEP) are still on hold pending resolution of tenurial issues.

  Updating and assessment of improvements of small-scale miners that will be affected by the KEP and consultation with the project-affected-people (PAP) and the local government units is a continuing program.

  Assessment and evaluation of areas for the agroforestry component of KEP including site preparation and sourcing of spring to supply water needs of the project is a work in progress.

<u>C. HEALTHCARE</u>

- **BenguetCorp Laboratories Inc. (BCLI)**

  BCLI, the health care provider of the Company generated ₱47.1 million revenue this year, lower against ₱48.8 million revenue in 2022, ₱48.0 million in 2021 and ₱33.1 million in 2020. The decrease compared to previous year is attributed to lost bid to major client Texas

Instruments for Clinic Management and Annual Physical Examination (APE). As a result, BCLI net income declined to ₱3.5 million this year, from net income of ₱8.1 million in 2022, ₱6.7 million in 2021 and net losses of ₱3.9 million in 2020.

BCLI continues to serve its core customers, HMO (Health Maintenance Organization), corporate clients in Baguio City, and government agencies. To further improve its laboratory services, conform with the DOH FDA requirements and augments its income, BCLI plans to purchase one (1) Mobile X-ray with Digital Radiography system and one (1) Treadmill Stress Test Machine.

BCLI passed the ISO 9001:2005 – Quality Management System recertification audit conducted by TÜVRheinland® in November 3, 2023 valid from January 2024 to January 2, 2027. To-date BCLI is the only free standing private medical and diagnostic facility that is ISO-certified in Baguio City.

In December 2023, BCLI was recognized by the Life Schiences review magazine as one among the Top 5 Clinical Laboratory Service Providers in the Philippines for the Year 2023.

D. BENGUETCORP INTERNATIONAL LIMITED (BIL) IN HONGKONG

- In 1988, the Company acquired BenguetCorp International Limited (BIL), a Hongkong-based and wholly owned subsidiary for international operations, which remains largely inactive. BIL's subsidiary, BenguetCorp USA Limited's (BUSA) renewed its claims over 217 hectares of mineral property for gold/silver in Royston Hills, Nevada, USA. The Company engaged the services of Burgex, Inc. to provide and perform services as needed to identify and evaluate mineral interests and opportunities necessary for the project.

2. BUSINESS OF ISSUER

Products or Services/Sales and Market and Distribution Method
The Company currently produces and markets gold (with silver by-product) from its AGP, nickel laterite ore from BMRC, and quicklime and hydrated lime from ILP. AGP directly sells gold produced to Bangko Sentral ng Pilipinas, BRMC principally exports nickel ores, and ILP's quicklime products are mainly sold to local customers. The Company, through its subsidiaries, provides logistic services under AFCC, port and shipping services under KPLMSC, healthcare services under BCLI and real estate projects under BFC.

Percentage of Sales/Revenue
The Company's sales/revenue of product/services which contributed ten percent (10%) or more to sales/revenues for the past four years are as follows:

	2023 (% to total revenue)			2022 (% to total revenue)			2021 (% to total revenue)			2020 (% to total revenue)		
	Local	Foreign	Total	Local	Foreign	Total	Local	Foreign	Total	Local	Foreign	Total
Gold	25%	-	25%	23%	-	23%	25%	-	25%	44%	-	44%
Lime	4%	-	4%	3%	-	3%	2%	-	2%	4%	-	4%
Nickel	-	69%	69%	-	73%	73%	-	72%	72%	-	50%	50%
Logistics & Others	2%	-	2%	1%	-	1%	1%	-	1%	2%	-	2%
Total	31%	69%	100%	27%	73%	100%	28%	72%	100%	50%	50%	100%

Status of Any Publicly-Announced New Product or Service
The Company and its subsidiaries have no publicly-announced new products or service introduced in 2023 whether prototypes that are existing or in planning stage.

Competition
The gold produced by the Company is directly sold to Bangko Sentral ng Pilipinas and the price is based on world spot market prices from the London Metal Exchange. The price of gold is currently at above-average historical level but there is no assurance that the upward trend will continue. There is virtually no competition in the industry and gold producers can easily sell their products. On the other hand, the Company principally competes in selling its nickel ores outside the Philippines. The method of competition is basically in price. However, the Company believes it can effectively compete in price with other companies due to lower operating cost and proximity of the mine to major buyers/users in Asia and China. Prices of the company's products are dictated by the world market.

Sources of Raw Materials and Supplies
The ore mined from the Company's gold properties is the raw material for processed gold (silver by-product), while in Sta. Cruz Nickel Project (SCNP) of the Company, the nickel laterite ore actually mined is directly exported/sold to foreign buyers. On the other hand, limestone ore is the basic raw material of quicklime and hydrated lime produced by ILP.

In the process of producing gold (silver by-product), nickel laterite ore and quicklime, labor, materials and supplies, power, and other services are employed and utilized. Labor is generally provided by the Company's regular employees, augmented by outsourced workers and contractors for certain projects and seasonal activities in the gold, lime and nickel mining operations. In the Company's AGP, it engaged the services of accredited mining contractors to do underground mining. Operating supplies, equipment and spare parts, which are generally available, are obtained on competitive basis from sources both locally and abroad. The Company has no existing major supply contracts. Electrical power to run the Company's mining operations in Itogon, Benguet Province is currently sourced from Aboitiz Power Corporation through its wholly owned subsidiary Therma Luzon, Inc. (TLI) under the terms of 20-year contract up to 2031.

Customers
The gold produced by the Company's AGP, which is directly sold to Bangko Sentral ng Pilipinas represents 25% of the total sales. The Company and its subsidiary, BRMC, have existing off-take agreement with Korean trading company for the sale of nickel ore. Outside of this, BRMC is free to sell its nickel ore to other traders or refineries.

Transactions with and/or Dependence on Related Parties
In the normal course of business, the Company has transactions with its subsidiaries which principally include: (a) Purchase of materials and supplies and services needed in its mining operations which are consummated at competitive prices, (b) Sales of mine products, (c) Rental of office space and certain machinery and equipment, and (d) Other transactions comprising non-interest bearing cash advances for working capital requirements. The Company has dealings with its subsidiaries as follows:

a. On January 1, 2021, the Company entered into a marketing agreement with BRMC for five (5) years and may be extended upon mutual agreement of the parties. BRMC shall pay a marketing fee per ton of nickel ore shipped. The Company earned ₱141.2 million, ₱186.5 million and ₱172.7 million in marketing fees for 2023, 2022 and 2021 respectively. Outstanding trade receivable from this transaction amounted to ₱33.5 million, ₱14.2 million, ₱111.8 million, and ₱3.9 million in 2023, 2022, 2021 and 2020 respectively.
    1. The business purpose of the arrangement is for the Company to market the ore production of BRMC at the best price obtainable in the market and under terms most advantageous to BRMC.
    2. The Company is authorized to enter into a long-term supply agreement and to negotiate and receive advance payment from the buyer and is entitled to a definite marketing fee. BRMC is a subsidiary that is controlled and significantly managed by the officers of the Company.

3. The transaction was determined after the conduct of a market study and cost benefit analysis.
4. The Related Party Transaction Committee and Management Committee reviewed and evaluated the transaction. The said Committees practiced the vetting process wherein it evaluated for fairness of the terms of the related party transactions and ensured that the terms are at arm's length following the Related Party Transactions policy of the Company. The related party transaction terms were compared with the terms granted to non-related parties under comparable circumstances and conditions. In cases where comparable transactions are not available, adequate justifications on the selection of the related party and the benefits of the engagement shall be provided.
5. The marketing agreement was renewed for another five (5) years from January 1, 2021 to December 1, 2025.

b. AFCC, a wholly owned subsidiary of the Company through BMC, continued to provide services to the Company for the delivery of various materials and supplies to various project sites. Total amount charged to the Company in 2023, 2022, 2021 and 2020 amounted to ₱1.4 million, ₱2.7 million, ₱2.8 million and ₱2.5 million, respectively.
   1. The business purpose of the arrangement is to provide equipment services to the Company for the delivery of equipment and/or raw materials to the various project sites.
   2. AFCC must provide all the required equipment/ service vehicle as well as personnel necessary for the Company's operations in its project sites. AFCC is a wholly owned subsidiary of BMC, and BMC is a wholly owned subsidiary of the Company that is significantly managed by the same Officers of the Company.
   3. The transaction price was determined after the conduct of a market study and cost-benefit analysis.
   4. The Related Party Transaction Committee and Management Committee reviewed and evaluated the transaction. The said Committees practiced the vetting process wherein it evaluated for fairness of the terms of the related party transaction and ensured that the terms are at arm's length following the Related Party Transaction Policy of the Company. The related party transaction terms were compared with the terms granted to non-related parties under comparable circumstances and conditions. In cases where comparable transactions are not available, adequate justifications on the selection of the related party and the benefits of the engagement shall be provided.
   5. This arrangement is still in effect as intended by both parties.

c. BFC, a wholly owned subsidiary of the Company thru BMC, was appointed as General Manager of the Company's Irisan Lime Project. Total amounts charged to the Company in 2023, 2022 and 2021 are ₱3.3 million, ₱2.7 million and ₱0.7 million respectively.
   1. The business purpose of the arrangement is to handle the over-all operations and management of the Irisan Lime Project.
   2. BFC is to manage and supervise the marketing functions, all production aspects, the industrial and personnel relations functions, financial and internal accounting activities, and to furnish financial statements and progress reports regularly to the Company.
   3. The transaction price was determined after the conduct of a market study and cost-benefit analysis.
   4. The Related Party Transaction Committee and Management Committee reviewed and evaluated the transaction. The said Committees practiced the vetting process wherein it evaluated for fairness of the terms of the related party transaction and ensured that the terms are at arm's length following the Related Party Transaction Policy of the Company. The related party transaction terms were compared with the terms granted to non-related parties under comparable circumstances and conditions. In cases where comparable transactions are not available, adequate justifications on the selection of the related party and the benefits of the engagement shall be provided.
   5. The management contract is effective for a period of five (5) years which started on January 1, 2021 to December 31, 2025.

Please see Note 24 – Related Party Transactions, of the Company's 2023 (Parent) Audited Financial Statements for details.

Terms and Expiration Dates of Royalty Contracts
The Company does not own any trademark, patent, copyright, franchise or concession. The Company has Operating Agreement with the following claimowners: Balanga Bataan Minerals Corporation (BBMC) for its Pantingan Gold Prospect in Bagac, Bataan; Oreline Mining Corporation (OMC) for its Zamboanga Gold Prospect (BOLCO) in R.T. Lim, Zamboanga del Sur and Diversified Mining Corporation for its Surigao Coal Project in Lianga, Surigao Del Sur. Duration of said agreements is up to end of mine life.

Government Regulations and Approval
All necessary business licenses and permits required for the continuous operation, production and sale of Company's products have been secured by the Company including new licenses or permits as well as those that have to be renewed periodically. The following Exploration Permit Application (EXPA) are undergoing evaluation by the Department of Environment and Natural Resources – Mines and Geosciences Bureau (MGB): (a.) EXPA No. 0122-CAR (formerly Mineral Production Sharing Agreement application (APSA) No. 009 CAR for the Company's Antamok Gold Operation; and (b) EXPA No. 0123-CAR (former APSA Nos. 010, 011, 012 and 013) for the Company's Benguet Gold Operation and Ampucao Copper-Gold Prospect in Itogon, Benguet. The Foreign Technical Assistance Agreement (FTAA) application in Ilocos Norte (AFTAA- 003) is undergoing Free, Prior and Informed Consent (FPIC) process under the NCIP Regional Office while the Apayao AFTA-033 is under evaluation by the MGB Central.

Effect of Existing or Probable Governmental Regulations
The effect of existing governmental regulations is mainly on their corresponding costs of compliance. In the case of probable government regulations, the effect or impact of such probable governmental regulations on the Company's operations could only be determined upon their passage and implementation. The indecisive stance of some government bureaus to approve and issue much-needed permits and licenses may also cause delays in the mining and/or operating activities of the Company and its Subsidiaries.

Research/Developmental Expenses
The Company's total expenses for exploration and development activities for the last four (4) years as follows:

	Amount in Millions	% to Total Revenues
2023	₱28.3	1.1%
2022	₱31.2	0.8%
2021	₱11.7	0.3%
2020	₱10.8	0.7%

Costs and Effects of Compliance with Environmental Laws
The Company's commitment to environmental responsibility is multifaceted, integrating compliance with regulations alongside proactive efforts to enhance environment well-being. Since March 2016, the nickel and gold operations of the Company have maintained ISO 14001:2015 certification, a testament to the Company's dedication to managing and maintaining its environmental footprint. This commitment is further underscored by the Company's Annual Environmental Protection and Enhancement Program (AEPEP), meticulously crafted and approved by the Mines and Geosciences Bureau (MGB) which outlines the environmental objectives and achievements.

During the year in review, significant investments were made in environmental initiatives towards implementing AEPEP activities aimed at land resource enhancements including progressive rehabilitation of environmental structures such as Tailings Storage Facilities (TSF), drainage tunnels, and water management systems, as well as rigorous monitoring of air, water, and noise quality, with the gold operation spending in 2023 of ₱9.5 million bringing its expenditures to-date to ₱105.7 million since 2015 and the nickel operation spending ₱25.1 million bringing its expenditures to-date to ₱334.1 million. The Company's ILP spent a total of ₱1.9 million in programmed environmental protection activities bringing its expenditures to-date ₱12.9 million since 2014.

Furthermore, the Company actively contributed to broader environmental conservation efforts by participating in MGB's Mining Forest Program and the Philippine Government's National Greening Program. In 2023, Its gold operation planted 4,050 Benguet pines seedlings, coffee and bamboo culms while nickel operation have made significant strides in reforestation by planting 296,161 tree seedings encompassing diverse species such as Agoho, Batino, Yakal Palosapis, Apitong, Mindoro pine. Additionally, the Company achieved milestones in Sustainable Agroforestry System – "Gulayan sa Minahan" implementation, River Rehabilitation, Mangrove Planting, Environment Structures rehabilitation, improvements and desilting. The Company's commitment extends to a comprehensive spectrum, including Solid and Hazardous Waste Management, Noise, Air and Water Quality Management, and Biodiversity Enhancement and Protection, alongside Coastal Resources Protection and Management, emphasizing adherence to environmental stewardship and community engagement.

Community Relations/Social Development & Management Programs (SDMP)
The Company continues to fulfill its social development obligations through implementation of various Social Development and Management Programs (SDMP) which supplemented the general welfare programs provided by the national and local governments through the provision of health, medical, peace and order, safety, livelihood, educational, waste management, public infrastructure services and scholarship program among others.

During the year 2023, the Company's gold operation spent ₱5.8 million bringing its expenditures to-date to ₱64.1 million since 2005 while the nickel operations spent ₱8.7 million in 2023 bringing its expenditures to-date to ₱68.7 million since 2013. The Company's ILP spent a total of ₱1.04 million in 2023 for SDMP bringing its expenditures to-date to ₱9.6 million since 2013.

The Company is actively providing educational support to its host communities in Itogon, Benguet, in its areas of operations by granting educational equipment, construction, repair, and maintenance of school facilities, and supporting programs for child development covering eight (8) Elementary Schools, two (2) Integrated Schools, three (3) High Schools and eight (8) Child Development Centers. For SY2023, High School and College Scholarship Programs continue to benefit 58 students from the various host communities. In addition, at the outset in the Pantingan Project in Bataan, educational support was extended to 26 students and supported the construction of a Learning/Reading Park in Kinaragan Elementary School. In Zambales, the Company provided educational assistance to 330 High School students and 210 College students for school year 2022 – 2023, or total of 624 students.

On health and medical services to the community, the Company continuously aided the Barangay Health Workers (BHW), Barangay Nutrition Scholars (BNS) and Barangay Peacekeeping Action Team (BPATs). The assistance was extended to promote healthy and safe community, to enhance response to medical emergencies, and improve medical facilities. Incentives are provided for Barangay Health Workers and Barangay Nutrition Scholars to assist them in conducting their duties in reaching various areas of Itogon, Benguet and Zambales. The Company held medical missions for the Indigenous People (IP) communities, specifically the Aeta tribes, across various municipalities in Bataan. Additionally, hygiene and dental kits were distributed at Kinaragan Elementary School.

The Company is fostering economic development by supporting various livelihood programs, projects and other income generating activities, training and provision of materials in pursuance of a sustainable livelihood project. To name a few of income generating activities are Bookkeeping Seminar and Workshop, Training on Rag and Door Mat Making and Basic Computer Skills, among others. Farmers were also given agricultural supplies and equipment and it supported the organic fertilizer production of the community in Sta. Cruz, Zambales. In Sitio Kinaragan, Limay, Bataan, the Company initiated a goat dispersal program specifically for its Indigenous communities.

Infrastructure development and support services were provided in the construction, rehabilitation and maintenance of various facilities such as the Construction of Waterworks System, riprap, canal, pavement, drainage, solar street lights, and improvement of the barangay health centers. The aim is to ensure that developments benefits even the farthest/smallest unit of the community.

These activities show that the Company is serious with its commitment to responsible mining and delivering social services that will help uplift the living condition of the community where it operates.

Total Number of Employees
The Company has a total manpower complement of 1,131 in 2023, 1,330 in 2022, 1,422 in 2021 and 1,252 in 2020. This is broken down as follows:

Type of Employee	2023	2022	2021	2020
Administrative	133	226	175	171
Clerical	15	10	20	37
Exploration/Operation	391	292	304	223
Outsourced Staff (seasonal, project based, security guards, janitors and retainers / consultants	592	802	923	821
Total	1,131	1,330	1,422	1,252

The Company anticipates no material change in the number of employees for the next 12 months. There are presently no labor unions in the Company and its subsidiaries, nor were there any major pending labor actions against the Company and its subsidiaries during the past four (4) years. The Company continuously provides free housing or accommodation to managers and employees at mine site with free water, free meals and power utilities. Basic and major medical; educational assistance; transportation allowance; vacation/sick/ paternity/birthday leave with pay; free protective and safety paraphernalia; Integrated Retirement Plan; Group Life and Personal Accident Insurance; and Stock Option Plan, among others are currently enjoyed by covered employees.

Business Risks
The Company recognizes, assesses, and manages certain risks that could materially and adversely affect its business, financial condition, results of operations and prospects. Regulatory risks are changes in regulations, policies, and law that will affect the mining industry and Company in particular.

a. The operations of the Company's business are subject to a number of national and local environmental laws and regulations which should be adhered to. Non-compliance or failure to comply may delay or suspend mining operations or could result in substantial fines and penalties. In ensuring compliance, the Company is obliged to allot a considerable amount from its operational funds for rehabilitation, reforestation and other environmental protection projects in the areas of operations. The Company maintains and liaisons with regulatory agencies to allow the Company to identify potential regulatory risks and proactively respond to these risks. While the Company believes it is in substantial compliance with all material environmental regulations, it can give no assurance that changes in these regulations will not occur in the future which may impact its operation and/or impose added costs to the Company.

b. The Company's exploration, development and extraction of, minerals entail significant operating risks. There is no certainty that the activities of the Company, which by the character of its business involve substantial expenditures and capital investments in the exploration and development of its resource properties, will result in the discovery of mineralized materials in commercial quantities and thereafter in viable commercial operation. The Company tries to temper its exposure to these risks by prudent management and the use of up-to-date technology.

c. The Company's revenues are directly affected by the world market prices of the metal it produces, which are gold (silver by-product) and nickel ore. The Company has experienced, and expects to continue to experience, significant fluctuations in operating results due to a variety of factors, including among others, depreciation of the Philippine Peso against the US Dollar, ore grades, mineable ore reserves and interest rates. The ultimate outcome of this matter cannot presently be determined and related effects will be reported as they become known. The metal prices in the world market are US Dollar denominated. The Company's reporting currency in its financial statements is the Philippine Peso. Changes in the US$/Php exchange rate may adversely affect the financial condition of the Company. The Company exports the saleable stockpiled nickel ores to foreign buyers at favorable market price while the gold produced is directly sold to Bangko Sentral Ng Pilipinas.

d. The Company depends on certain key personnel, and its business and growth prospects may be disrupted if their services are lost. There is no assurance that certain key officers and employees which are critical to the continued operation of the Company's business will remain employed. Should several of these key personnel resign or are separated from their present posts, the Company may face difficulties in hiring replacements and the business and operations may be disrupted as a result, which may adversely affect the financial condition and operations of the Company. To maintain their employment, the Company continuously reviews and ensure that compensation and benefit packages for officers, managers and rank and file personnel are competitive with industry standards. Continuous trainings are provided to ensure that their knowledge and skills are being updated.

e. The operations of the Company's business is also subject to various other risks which are beyond its control. These include typhoons, earthquakes, floodings, landslides, and virus outbreak among other natural disasters which may disrupt its operations. There can be no assurance that these risks will not have an adverse effect on the Company. To mitigate the risks, management and operations meetings are conducted regularly to identify, assess and formulate related contingency plans to manage or minimize the adverse impacts of potential risks and to ensure that concerned units manage or promptly address identified risks.

f. The Company faces competition from large metal producers who have greater financial and technical resources (resulting to lower production cost) thereby flooding the market with cheaper metal produce. This competitive pressure could result not only in sustained price reductions, but also in a decline in sales volume, which would have a material adverse effect in the long term on the Company's business, operating results and financial condition. The Company principally competes in selling its nickel ores outside the Philippines. However, the Company believes it can effectively compete in price with other companies due to lower operating cost and proximity of the mine to major buyers/users in Asia and China. For gold, there is no competition in the industry and gold producers may easily sell their product directly to Bangko Sentral ng Pilipinas.

Additional Requirements as to Certain Issues or Issuers

The Parent Company's outstanding principal debt subject to the 1992 Restructuring Agreement amounted to ₱85.06 million. The Company remains committed to a final and comprehensive settlement of all the old debt or to arrange a suitable restructuring of the remaining obligations.

Information on loans payable is presented in Note 14 of the Notes to 2023 Audited Consolidated Financial Statements.

ITEM 2. PROPERTIES

The Company owns patented lands, mining and milling equipment, various automotive units/vehicles and support facilities for its gold mining operations in Itogon, Benguet Province; and Irisan Lime Project in Baguio City; port, dump trucks and mining equipment in Zambales. The Company also owns various artworks, vehicles, office furniture and computer units in its corporate office in Makati City. It likewise owns milling and support facilities at Zamboanga Gold Prospect in R.T. Lim Zamboanga del Sur, which are currently on care and maintenance basis.

The Company continues to lease office space at the Universal Re Building, 106 Paseo de Roxas, Makati City where its Corporate Head Office is situated. Rental is ₱721,508.48 per month VAT inclusive subject to 10% escalation yearly up to June 30, 2024.

Subsidiaries: BRMC (formerly BNMI) is the holder of MPSA No. 226-2005-III with an area of 1,406.74 hectares located in Sta. Cruz, Zambales. It owns assaying/laboratory equipment and various automotive equipment/vehicles for its mining business operations. BRMC continues to lease at ₱82,760.61 per month for office occupancy in Sta. Cruz, Zambales. The lease is renewable every 5 years subject to escalation rate of 7.5% every two years. Also, it leases a property being used as staff house for ₱25,000 per month net of tax subject to 10% escalation rate every two years.

BFC owns 2 office condominium units (Unit 304 with a floor area of 138.27 square meters and Unit 305 with a floor area of 186.20 square meters) located in 3rd Floor One Corporate Plaza Condominium, Pasay Road, Legaspi Village, Makati City. BFC continues to develop and sell the remaining three (3) lots with an aggregate area of 1,043 square meters in its real estate project called Woodspark Rosario Subdivision located in Rosario, La Union.

BTI owns 2 residential lots where a 3 storey residential building staff house is erected with a floor area of 283 square meters. The two (2) lots have an aggregate area of about 708 square meters and are located in Monterraza Village, Barangay Tuding, Itogon, Benguet.

BCLI, a wholly owned subsidiary of the Company owns various medical instruments, medical furniture/fixtures/appliances, office and laboratory equipment for its clinic operations. BCLI continues to lease for its business operation occupancies in SM Baguio at ₱395,136.00 per month, and in Centermall, Baguio City at ₱117,914.42 per month. The lease is subject to 10% escalation yearly.

AFCC owns various heavy equipment/vehicles for its logistics business operations. It leases a property at ₱25,121.50 per month for office occupancy at Sta. Maria, Bulacan subject to 10% yearly escalation rate up to February 15, 2026. It also leases office space and land for motorpool purposes at Sta. Cruz, Zambales for ₱22,000.00 per month.

The Company and its subsidiaries have no intention at present to acquire any significant property in the next 12 months except for BFC which plans to acquire vacant lands in La Union and nearby areas of Pangasinan for development into new housing project.

Please refer to Item I of this report under title “Business Development” as to the conditions of the mining operations/projects and non-mining properties/projects of the Company.

ITEM 3. LEGAL PROCEEDINGS

As of December 31, 2023, the Company and its subsidiaries have no pending legal proceedings where claims exceed ten percent (10%) of total assets on a consolidated basis. The Company and its subsidiaries are involved in litigation on a number of cases and are subject to certain claims which arise in the normal course of business, none of which, in the opinion of management, is expected to have a material adverse effect on each of the Company’s operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

In the November 8, 2023 virtual Annual Stockholders' Meeting of the Company, no election of directors was held because the 1993 Supreme Court Temporary Restraining Order (TRO) enjoining the holding of elections of directors, has not been lifted. Since no election of directors was held, the Company's incumbent directors (the composition of the Board of Directors is presented in Item 9 of this report) remained in office on hold-over capacity until their successors shall have been duly elected and qualified.

Except for the matters taken up in the November 8, 2023 Annual Stockholders' Meeting of the Company, there were no other matters submitted to vote of security holders during the period covered by this report. All matters taken up and voted upon at the annual meeting including tabulation of votes in person and by proxy for approval, against and abstention to each matter and the results of annual stockholders' meeting were disclosed under SEC Form 17-C to the SEC and PSE on November 8, 2023. The disclosure was posted in the Company's website.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information
The Company has three classes of shares, two of which (the Common Class A with a par value of ₱1.00 per share and Convertible Preferred Class A shares with a par value of ₱3.43 per share) can be owned only by Philippine nationals and the other class of the Company's share is Common Class B with a par value of ₱1.00 per share which may be owned by anyone regardless of nationality. The Company's shares are listed and traded in the Philippine Stock Exchange (PSE) under the trading symbol of "BC" for Common Class A; "BCB" for Common Class B; and "BCP" for Convertible Preferred Class A share.

The closing prices of the Company's Common shares in the PSE on April 29, 2024 are ₱4.27 per share for Common Class A and ₱4.34 per share for Common Class B. The closing price of the Company's Convertible Preferred Class A on the last trading day of March 22, 2024 is ₱24.55 per share.

a.) For each Quarter 2023, 2022 and First Quarter 2024, the high and low prices of the Company's shares in the PSE are as follows:

	1ST QUARTER		2ND QUARTER		3RD QUARTER		4TH QUARTER		**2024 1st Quarter**
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	
CONVERTIBLE PREFERRED CLASS A*									
Highest Price/Share	**₱ -**	₱47.30	**₱ -**	₱ -	**₱ -**	₱ -	**₱ 34.95**	₱33.20	**₱24.55**
Lowest Price/Share	**-**	47.30	**₱ -**	₱ -	**₱ -**	₱ -	**₱34.90**	23.30	**24.55**
COMMON CLASS A									
Highest Price/Share	**₱5.70**	₱7.20	**₱ 4.88**	₱7.68	**₱4.70**	₱5.89	**₱5.20**	₱5.05	**₱4.89**
Lowest Price/Share	**4.05**	4.95	**4.38**	5.45	**3.80**	4.77	**3.80**	4.07	**4.15**
COMMON CLASS B									
Highest Price/Share	**₱5.40**	₱7.00	**₱ 4.90**	₱7.77	**₱4.73**	₱5.95	**₱5.49**	₱5.44	**₱5.34**
Lowest Price/Share	**4.06**	4.50	**4.36**	5.60	**3.90**	4.90	**3.81**	4.03	**4.10**

(*) No trading transactions in 2nd and 3rd quarter of 2022 and 1st, 2nd and 3rd quarter of 2023.

b.) For each quarter of 2021 and 2020, the high and low prices of the Company's shares in the PSE are as follows:

	1ST QUARTER		2ND QUARTER		3RD QUARTER		4TH QUARTER	
	2021	2020	2021	2020	2021	2020	2021	2020
CONVERTIBLE PREFERRED CLASS A*								
Highest Price/Share	**₱27.00**	₱-	₱30.00	₱ -	₱45.00	₱ -	₱31.55	₱12.00
Lowest Price/Share	**18.00**	₱-	18.90	₱ -	45.00	₱ -	31.55	12.00
COMMON CLASS A								
Highest Price/Share	**₱3.73**	₱1.30	₱5.88	₱1.46	₱5.88	₱3.12	₱6.58	₱3.50
Lowest Price/Share	**2.26**	0.96	2.48	0.70	4.40	1.09	4.80	2.45
COMMON CLASS B								
Highest Price/Share	**₱3.60**	₱1.20	₱5.58	₱1.39	₱5.87	₱3.03	₱6.40	₱3.30
Lowest Price/Share	**2.41**	0.89	2.40	0.95	4.12	1.14	4.73	2.34

(*) No trading transactions in 1st, 2nd and 3rd quarters of 2020.

Holders:

a.) As of April 15, 2024, the Company's public float is 45.91% of the 623,401,190 outstanding shares of the Company consisting of 375,120,008 common Class A, 248,064,121 common class B and 217,061 Convertible Preferred Class A shares with a total of 16,866 stockholders.

b.) Of the 623,401,190 outstanding shares of the Company, 81,666,328 common Class B shares or 13.09% are owned by foreign nationals/institutions as of April 15, 2024.

The list of top 20 stockholders for Common Class "A", Common Class "B" and Convertible Preferred Class "A" shares of the Company as of April 15, 2024 are as follows:

A. Common Class "A" Share

Name	Number of Shares Held	Percent to Total Outstanding/Class
PCD Nominee Corporation (Filipino)	190,420,877	50.76%
Palm Avenue Holding Company, Inc.	65,624,727	17.49%
Palm Avenue Holdings Co. and/or Palm Avenue Realty Corp.	63,920,490	17.04%
Palm Avenue Holdings Co. and/or Palm Avenue Realty Corp.	30,834,375	8.22%
FEBTC TA 4113-000204-5 (ESPP)	5,067,846	1.35%
FEBTC T/A 4113-00204-5	3,016,623	0.80%
Sysmart Corporation	2,036,181	0.54%
Cynthia Manalili Manalang	1,500,000	0.40%
Paredes, Gabriel M. or Paredes, Marianne G.	564,900	0.15%
Sun Hung Kai Sec. A/C#YU034	356,625	0.10%
Marilex Realty Development Corporation	331,200	0.09%
Hermogene H. Real	240,300	0.06%
Luis Juan L. Virata	234,003	0.06%
Francisco M. Vargas	219,000	0.06%
The First Nat'l Invest Co.	188,130	0.05%
Ionian Realty and Development Corporation	148,500	0.04%
Estate of Alfonso T. Yuchengco	136,272	0.04%
Vital Ventures Management Corporation	135,000	0.04%
Juvencio Tan	114,000	0.03%
Benjamin N. Mirasol	113,964	0.03%

B. Common Class "B" Share

Name	Number of Shares Held	Percent to Total Outstanding/Class
PCD Nominee (Filipino)	119,223,592	48.06%
Palm Avenue Realty and Development Co.	43,680,000	17.61%
Cede & Co.	29,674,860	11.96%
PCD Nominee (Non-Filipino)	26,976,321	10.87%
Michael Vozar TOD Sharon K. Vozar Sub to STA Tod Rules	736,260	0.30%
Charles F. Carroll TTEE,UA 05/24/95 FBO Carroll Family Trust 1	543,000	0.22%
National Financial Services	504,033	0.20%
Fairmount Realty Corp.	484,257	0.20%
Independent Realty Corporation	483,441	0.19%
Evelyn B.Stephanos TR US 05/12/11 Elizabeth Bakas Irrev Trust	450,000	0.18%
Richard Soltis & Veronica T. Soltis JT Ten	396,000	0.16%
Arthur H.Runk TTEE of Arthur H.Runk Liv TR U/A dtd 08/17/1990	354,000	0.14%
HSBC Private Bank (Suisse) SA 9-17 Quai Des Bergues	303,795	0.12%
William David Courtright	300,000	0.12%
William T. Coleman	300,000	0.12%
Garry A. Gil TTEE FBO Arthur Weir Gill Rev Tr	300,000	0.12%
Edmund S. Pomon	300,000	0.12%
Sysmart Corporation	273,729	0.11%
Sanford E. Halperin	251,364	0.10%
James N. Clay	222,000	0.09%

C. Convertible Preferred Class "A" Share

Name	Number of Shares Held	Percent to Total Outstanding/Class
PCD Nominee Corporation (Filipino)	65,794	30.31%
Fairmount Real Estate	59,262	27.30%
Jose Concepcion, Jr.	5,000	2.30%
Reginaldo Amizola	1,737	0.80%
Maverick Marketing Corporation	1,720	0.79%
Evengeline Alave	1,720	0.79%
Jayme Jalandoni	1,380	0.64%
Romelda E. Asturias	1,376	0.63%
Rosendo U. Alanzo	1,376	0.63%
Rosalina O. Ariacho	1,324	0.61%
CMS Stock Brokerage Inc.	1,324	0.61%
Luisa Lim	1,238	0.57%
Delfin GDN Jalandoni	1,118	0.52%
Ventura O. Ducat	1,032	0.48%
Remedios Rufino	1,000	0.46%
Conchita Arms	1,000	0.46%
Benito V. Jalbuena	1,000	0.46%
Carlos W. Ylanan	1,000	0.46%
Equitiworld Securities, Inc.	1,000	0.46%
B & M Incorporated	952	0.44%

Dividends – The Company has not declared any dividends in the four (4) most recent fiscal years 2023, 2022, 2021 and 2020 due to restrictions provided for in the Company's loan agreements with creditor banks. The dividend rights and restrictions of the Company's Convertible Preferred Class A, Common Class A and Common Class B stocks are contained in the Amended Articles of Incorporation of the Company, to wit:

"For a period of ten years after issuance, the holders of each shares of Convertible Preferred Stock shall be entitled to receive out of surplus profits of the Corporation earned after issuance of such Stock, when and as declared by the Board of Directors, cash dividends equal to the peso amount of and payable at the same time as that declared on each share of Common Class A or Common Class B Stock. The total cash dividends payable at any given time on Common Class A, Common Class B and Convertible Preferred Stock shall not exceed seventy-five per centum (75%) of the total after-tax earnings for any current fiscal year of the Corporation from all sources.

Immediately upon the expiration of ten years from issuance, the holders of shares of Convertible Preferred Stock still outstanding shall be entitled to receive out of surplus profits of the Corporation, when and as declared by the Board of Directors, cash dividends at the fixed annual rate of eight percentum (8%) of the par value of such Stock before any cash dividends shall be declared or set apart for holders of Common Class A and Common Class B Stock. The balance of the net profits of the Corporation available for cash dividends shall be distributable exclusively to holders of Common Class A and Common Class B Stock. Dividends accrued and unpaid, if any, on the Convertible Preferred Stock at the end of any given fiscal year of the Corporation shall be cumulated, provided and to the extent that the net profits of the Corporation earned during such fiscal year are at least equal to the amount of such accrued and unpaid dividends; no cash dividends shall be declared and paid to holders of Common Class A and Common Class B Stock until after such accumulated, accrued and unpaid dividends on the Convertible Preferred Stock shall have been paid or provision for payment thereof made. Holders of Convertible Preferred Stock shall not be entitled to any part of stock dividends declared and issued on outstanding Common Class A and Common Class B and no stock dividends may be declared and issued on Convertible Preferred Stock."

Recent Sales of Unregistered or Exempt Securities

Under the present implementation of the Company's Stock Option Plan (the "Plan"), below are the transactions of sold stocks/exercised options in the past four years ended December 31, 2023, 2022, 2021 and 2020:

1. In the May 3, 2011 stock option grant:
   a) 600,697 Class "A" shares at option price of ₱1.69/share with par value of ₱1.00/share;
   b) 515,876 Class "B" shares at option price of ₱1.91/share with par value of ₱1.00/share.
2. In the September 7, 2012 stock option grant – There were no options exercised.
3. In the May 28, 2014 stock option grant – There were no options exercised.
4. In the March 17, 2017 stock option grant:
   a) 3,779,350 Class "A" shares at option price of P1.38/share with par value of P1.00/share;
   b) 2,517,023 Class "B" shares at option price of P1.43/share with par value of P1.00/share.

Other than the above transactions, the Company has not sold or issued any securities within the past four years ended December 31, 2023, 2022, 2021 and 2020 which are not registered under the SRC including the sales of reacquired securities, securities issued in exchange of property, services, or other securities, and new securities resulting from the modification of outstanding securities.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

The following discussion and analysis of financial performance of the Company should be read in conjunction with the Company's Audited Consolidated Financial Statements (ACFS) and related notes as of December 31, 2023, 2022, 2021 and 2020 prepared in conformity with Philippine Financial Reporting Standards (PFRS). The results and plan of operation of the Company and its subsidiaries are presented and discussed under Business Development in Item 1-Business of this report.

I. FOR THE YEARS ENDED DECEMBER 31, 2023 VERSUS 2022

CONSOLIDATED RESULTS OF OPERATIONS

Comparative Balances for December 31, 2023 and December 31, 2022
Amount in Millions

	2023	2022	Change	% of Change
Revenue	2,531.4	4,025.2	(1,493.8)	(37.1%)
Costs and Operating Expenses				
Costs of mine products sold	(680.5)	(970.4)	(289.9)	(29.9%)
Costs of services and other sales	(84.1)	(80.2)	(3.9)	(4.9%)
Selling and general expenses	(906.0)	(1,078.5)	(172.5)	(16.0%)
Excise taxes and royalty fees	(182.4)	(299.7)	(117.3)	(39.1%)
	(1,853.0)	(2,428.8)	(575.9)	(23.7%)
Interest expense	(2.8)	(1.1)	(1.7)	(154.5%)
Other Income	57.0	164.0	(107.0)	(65.2%)
Income before income tax	732.6	1,759.3	(1,026.7)	(58.4%)
Provision for income tax	178.5	428.2	(249.8)	(58.3%)
Net Income	554.1	1,331.1	(777.0)	(58.4%)

Comparative balances as of December 31, 2022 and December 31, 2021
Amount in Millions

	2022	2021	Change	% of Change
Revenue	4,025.2	3,841.9	183.3	4.8%
Costs and Operating Expenses				
Costs of mine products sold	(970.4)	(921.7)	(48.7)	(5.3%)
Costs of services and other sales	(80.2)	(74.8)	(5.4)	(7.2%)
Selling and general expenses	(1,078.5)	(992.3)	(86.2)	(8.7%)
Excise taxes and royalty fees	(299.7)	(284.3)	(15.4)	(5.4%)
	(2,428.8)	(2,273.1)	(155.7)	(6.8%)
Interest expense	(1.1)	(3.9)	(2.8)	(71.8%)
Other Income	164.0	229.1	(65.1)	(28.4%)
Income before income tax	1,759.3	1,794.0	(34.7)	(1.9%)
Provision for income tax	428.2	372.4	55.8	15.0%
Net Income	1,331.1	1,421.6	(90.5)	(6.4%)

Comparative balances as of December 31, 2021 and December 31, 2020
Amount in Millions

	2021	2020	Change	% of Change
Revenue	3,841.9	1,619.7	2,222.2	137.2%
Costs and Operating Expenses				
Costs of mine products sold	(921.7)	(725.7)	(195.9)	(27.0%)
Costs of services and other sales	(74.8)	(39.2)	(35.6)	(90.8%)
Selling and general expenses	(992.3)	(408.4)	(583.9)	(143.0%)
Excise taxes and royalty fees	(284.3)	(101.0)	(183.3)	(181.5%)
	(2,273.1)	(1,274.3)	(998.8)	(78.4%)
Interest expense	(3.9)	(3.1)	(0.8)	(25.8%)
Other Income	229.1	141.0	88.1	62.5%
Income before income tax	1,794.0	483.3	1,310.7	271.2%
Provision for income tax	372.4	101.9	270.5	265.5%
Net Income	1,421.6	381.4	1,040.2	272.7%

The Company sustained its positive performance in 2023 despite the decline in nickel prices and lower gold production.

Consolidated net income for 2023 amounted to ₱554.1 million lower than the net income of ₱1.3 billion in 2022, and net income of ₱1.4 billion in 2021 but 45% higher than the net income of ₱381.4 million in 2020. The increase/decrease in net income was the net effect of the following:

Revenues

The Company registered consolidated revenues of ₱2.5 million in 2023, lower than the ₱4.0 billion revenue in 2022, ₱3.8 billion in 2021, but 56% higher than the ₱1.6 billion in 2020. Revenues were derived mainly from nickel, gold and lime sales.

	2023	2022	2021	2020
Nickel	₱1,757.68	₱2,952.3	₱2,766.5	₱818.3
Gold and silver	627.5	914.8	945.8	704.3
Lime and others	146.3	158.1	129.6	97.1
Gross Revenue	₱2,531.4	₱4,025.2	₱3,841.9	₱1,619.7

Revenues is attributable mainly from the sale of 16 boatloads of 1.3% to 1.4% nickel ores aggregating 854,074 tons, lower compared to 22 boatloads of 1.2% to 1.4% nickel ores weighing 1,169,328 tons in 2022, 22 boatloads of 1.2% to 1.5% nickel ore with total volume of 1,175,050 tons in 2021, and 9 boatloads of 1.2% to 1.4% nickel ore aggregating 483,952 tons in 2020. Nickel ore was sold at effective average price of US$37.07/ton this year versus US$46.97/ton in 2022, US$47.38/ton in 2021, and US$34.21/ton in 2020. Nickel sales contributed 69% of consolidated gross revenues. Gold sales on the other hand contributed 25% on account of better price this year. The Acupan Gold Project (AGP) sold 5,803.21 ounces of gold this year compared to 9,363.56 ounces of gold in 2022, 10,685 ounces in 2021, and 8,080.71 ounces in 2020. Average selling price of gold in 2023 was US$1,941.83/ounce versus US$1,802.02/ounce in 2022, US$1,806.68/ounce in 2021 and US$1,750.25/ounce in 2020.

Operating and Other Expenses

Cost and operating expenses amounted to ₱1.9 billion lower against ₱2.4 billion costs in 2022, ₱2.3 billion in 2021, and ₱1.3 million in 2020. The decrease is mainly due to the net effect of the following:

Cost of mine products sold decreased to ₱680.5 million from ₱970.4 million in 2022, ₱921.7 million in 2021 and ₱725.8 million in 2020. The decrease is mainly due to the lower volume of nickel ore sold and lower gold production this year.

Cost of services and other sales increased to ₱84.1 million from ₱80.2 million in 2022, ₱74.8 million in 2021, ₱39.2 million in 2020. The increase is mainly due to high cost of fuel, power, labor and materials and supplies.

Selling and general expenses decreased to ₱903.0 million from ₱1.1 billion in 2022, ₱992.3 million in 2021 and ₱408.4 million in 2020. The decrease is mainly due to lower volume of nickel ores sold this year.

Excise taxes are taxes imposed by the Bureau of Internal Revenue (BIR) on the extraction of mineral resources. Royalty fees, on the other hand, are fees imposed by the Mines and Geosciences Bureau (MGB) on the extraction of mineral resources in mineral reservation areas. Excise taxes and royalty fees decreased to ₱182.4 million from ₱299.8 million in 2022, ₱284.3 million in 2021, and ₱101.0 million in 2020. Decrease is mainly from the lower sales/revenue from gold and nickel laterite ores.

Other income this year amounted to ₱56.99 million, lower against ₱164.0 million, ₱229.1million in 2021, and ₱141.0 in 2020. The other income this year is mainly attributable to the change in fair value of financial assets of FVPL, amounting to ₱51.9 million and ₱8.1 million gains on foreign currency exchange. The other income in 2022 arose from the ₱85.3 million gain on revaluation of investment properties, ₱39.7 million gains on foreign currency exchange and ₱39.3 million gains on recovery of impairment on loss on advances to contractors. The other income in 2021 was mainly derived from the ₱277.0 million gain in revaluation of investment properties, while in 2020, the other income was mainly due to the ₱154.8 million gain in revaluation of investment properties.

Provision for income tax in 2023 amounted to ₱178.5 million, compared to the ₱428.2 million in 2022, ₱372.4 million in 2021, and ₱101.9 million in 2020. The provision for income tax pertains to the Regular Income Tax (RCIT), of Benguet Corporation (Parent company), Benguetcorp Resources Management Corporation (BRMC), Arrow Freight and Construction Corporation (AFCC) and Keystone Port Logistics and Management Services Corporation (KPLMSC).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Comparative balances for December 31, 2023 and December 31, 2022
Amount in Millions

	2023	2022	Change	% of Change
Assets				
Current Assets				
Cash and cash equivalent	774.2	1,002.8	(228.6)	(22.8%)
Trade and other receivables	746.7	782.5	(35.8)	(4.6%)
Inventories	248.0	180.6	67.4	37.3%
Financial assets at fair value through profit or loss	1,328.8	1,114.6	214.2	19.2%
Other current assets	660.6	352.4	308.2	87.5%
Total Current Assets	**3,758.2**	**3,432.9**	**325.4**	**9.5%**
Noncurrent Assets				
Property, plant and equipment-at revalued amount	1,776.6	1,729.7	46.9	2.7%
Property, plant and equipment-at cost	789.9	780.2	9.7	1.2%
Deferred mine exploration costs	520.4	492.5	27.9	5.7%
Investment properties	2,998.0	2,992.0	6.0	0.2%
Deferred tax assets – net	5.6	9.9	(4.3)	(43.4%)
Other noncurrent assets	488.9	471.9	17.0	3.6%
Total Noncurrent assets	**6,579.4**	**6,476.2**	**103.2**	**1.6%**
Total Assets	**10,337.6**	**9,909.1**	**428.6**	**4.3%**
Liabilities				
Current Liabilities				
Trade and other payables	507.8	555.7	(47.9)	(8.6%)
Loans payable	339.2	337.0	2.2	0.7%
Lease liabilities – current	4.2	6.3	(2.1)	(33.3%)
Liability for mine rehabilitation-current	17.8	10.5	7.3	69.5%
Income tax payable	33.3	105.9	(72.6)	(68.6%)
Total current liabilities	**902.4**	**1,015.4**	**(113.0)**	**(11.1%)**
Noncurrent liabilities				
Lease liabilities-net of current potion	4.1	5.8	(1.7)	(29.3%)
Liability for mine rehabilitation-net of current portion	44.3	48.6	(4.3)	(8.8%)
Pension liability	58.2	56.0	2.2	3.9%
Deferred tax liabilities	775.9	769.2	6.7	0.9%
Other noncurrent liabilities	185.7	237.8	(52.1)	(21.9%)
Total Noncurrent Liabilities	**1,068.2**	**1,117.4**	**(49.1)**	**(4.4%)**
Total Liabilities	**1,970.6**	**2,132.8**	**(162.2)**	**(7.6%)**
Equity				

Capital Stock	624.3	624.0	0.3	0.0%
Capital Surplus	415.5	415.1	0.4	0.1%
Cost of Share-based payment	8.1	6.3	1.8	28.6%
Retained earnings	5,907.6	5,353.4	554.2	10.4%
Other components of equity	1,419.5	1,385.4	34.1	2.5%
	8,375.0	7,784.2	590.8	7.6%
Treasury shares	(8.0)	(8.0)	-	0.0%
Total Equity	**8,367.0**	**7,776.2**	**590.8**	**7.6%**
Total Liabilities and Equity	**10,337.6**	**9,909.1**	**428.6**	**4.3%**

Comparative balances for December 31, 2022 and December 31, 2021
Amount in Millions

	2022	**2021**	**Change**	**% of Change**
Assets				
Current Assets				
Cash and cash equivalent	1,002.8	603.2	399.6	66.2%
Trade and other receivables	782.5	514.9	267.5	52.0%
Inventories	180.6	142.1	38.5	27.1%
Financial assets at fair value through profit or loss	1,114.6	675.0	439.6	65.1%
Other current assets	352.4	481.7	(129.3)	(26.8%)
Total Current Assets	**3,432.9**	**2,416.9**	**1,016.0**	**42.0%**
Noncurrent Assets				
Property, plant and equipment-at revalued amount	1,729.7	1,703.4	26.3	1.5%
Property, plant and equipment-at cost	780.2	848.4	(68.2)	(8.0%)
Deferred mine exploration costs	492.5	455.4	37.1	8.1%
Investment properties	2,992.0	2,910.7	81.3	2.8%
Deferred tax assets – net	9.9	11.6	(1.7)	(14.7)
Other noncurrent assets	471.9	402.9	69.0	17.1
Total Noncurrent assets	**6,476.2**	**6,332.4**	**143.8**	**2.3%**
Total Assets	**9,909.1**	**8,749.3**	**1,159.8**	**13.3%**
Liabilities				
Current Liabilities				
Loans payable	337.0	337.0	0	0.0%
Trade and other payables	555.7	669.4	(113.7)	(17.0%)
Lease liabilities	6.3	9.2	(2.9)	(31.5%)
Liability for mine rehabilitation	10.5	6.6	3.9	59.1%
Income tax payable	105.9	137.8	(31.9)	(23.1%)
Total current liabilities	1,015.4	1,160.0	(144.6)	(12.5%)
Noncurrent liabilities				
Lease liabilities-net of current portion	5.8	11.9	(6.1)	(51.3%)
Liability for mine rehabilitation-net of current portion	48.6	54.2	(5.6)	(10.3%)
Pension liability	56.0	73.3	(17.3)	(23.6%)
Deferred tax liabilities	769.2	748.6	20.6	2.8%
Other noncurrent liabilities	237.8	291.8	(54.0)	(18.5%)
Total Noncurrent Liabilities	**1,117.4**	**1,179.8**	**(62.4)**	**(5.3%)**
Total Liabilities	**2,132.8**	**2,339.8**	**(207.0)**	**(8.8%)**
Equity				
Capital Stock	624.0	624.0	0	0.0%
Capital Surplus	415.1	409.9	5.2	1.3%
Cost of Share-based payment	6.3	9.2	(2.9)	(31.5%)

Retained earnings	5,353.4	4,021.8	1,331.6	33.1%
Other components of equity	1,385.4	1,352.6	32.8	2.4%
	7,784.2	6,417.5	1,366.7	21.3%
Treasury shares	(8.0)	(8.0)	0	0.0%
Total Equity	7,776.2	6,409.5	1,366.7	21.3%
Total Liabilities and Equity	9,909.1	8,749.3	1,159.8	13.3%

Comparative balances for December 31, 2021 and December 31, 2020
Amount in Millions

	2021	**2020**	**Change**	**% of Change**
Assets				
Current Assets				
Cash and cash equivalent	603.2	271.5	331.7	122.2%
Trade and other receivables	514.9	475.3	39.6	8.3%
Inventories	142.1	101.1	41.0	40.6%
Financial assets at fair value through profit or loss	675.0	0	675.0	0%
Other current assets	481.7	398.7	83.0	20.8%
Total Current Assets	2,416.9	1,246.6	1,170.3	93.9%
Noncurrent Assets				
Property, plant and equipment-at revalued amount	1,703.4	1,673.3	30.1	1.8%
Property, plant and equipment-at cost	848.4	942.0	(93.6)	(9.9%)
Financial assets measured at fair value through other comprehensive income (FVOCI)	0.9	13.4	(12.5)	(93.3%)
Deferred mine exploration costs	455.4	456.8	(1.4)	(0.3%)
Investment properties	2,910.7	2,633.7	277.0	10.5%
Deferred tax assets – net	11.6	6.7	4.9	73.1%
Other noncurrent assets	402.0	406.8	(4.8)	(1.2%)
Total Noncurrent assets	**6,332.4**	**6,132.7**	**199.7**	**3.3%**
Total Assets	**8,749.3**	**7,379.3**	**1,370.0**	**18.6%**
Liabilities				
Current Liabilities				
Loans payable	337.0	509.0	(172.0)	(33.8%)
Trade and other payables	669.4	620.7	48.7	7.8%
Lease liabilities	9.2	1.7	7.5	441.2%
Liability for mine rehabilitation	6.6	38.1	(31.5)	(82.7%)
Income tax payable	137.8	2.0	135.8	6790.0%
Total current liabilities	**1,160.0**	**1,171.5**	**(11.5)**	**(1.0%)**
Noncurrent liabilities				
Lease liabilities-net of current portion	11.9	4.5	7.4	164.4%
Liability for mine rehabilitation-net of current portion	54.2	67.5	(13.3)	(19.7%)
Pension liability	73.3	81.8	(8.5)	(10.4%)
Deferred tax liabilities	748.6	882.5	(133.9)	(15.2%)
Other noncurrent liabilities	291.8	391.4	(99.6)	(25.4%)
Total Noncurrent Liabilities	**1,179.8**	**1,427.7**	**(247.9)**	**(17.4%)**
Total Liabilities	**2,339.8**	**2,599.2**	**(259.4)**	**(10.0%)**
Equity				
Capital Stock	624.0	617.2	6.8	1.1%
Capital Surplus	409.9	389.0	20.9	5.4%
Cost of Share-based payment	9.2	13.4	(4.2)	(31.3%)

Retained earnings	4,021.8	2,598.8	1,423.0	54.8%
Other components of equity	1,352.6	1,169.7	182.9	15.6%
	6,417.5	4788.1	1,629.4	34.0%
Treasury shares	(8.0)	(8.0)	0	0.0%
Total Equity	**6,409.5**	**4,780.1**	**1,629.4**	**34.1%**
Total Liabilities and Equity	**8,749.3**	**7,379.3**	**1,370.0**	**18.6%**

Assets

The Company's consolidated total assets as of December 31, 2023 stands at ₱10.3 billion, higher compared to ₱9.9 billion in 2022, ₱8.7 billion in 2021 and ₱7.4 billion in 2020. The increase is the net effect of the following:

Cash and cash equivalent decreased by 23% to ₱774.2 million from ₱1.0 billion in 2022, 28% higher than ₱603.2 million in 2021, and 185% higher than ₱271.5 million in 2020. Decrease against last year was mainly due to the additional investment in UITF short-term investments and cash used in operation. The increase versus 2021 and 2020 pertains to the collection of nickel ore sold in 2023 and 2022 and the ₱135.0 million tax refund granted by the Bureau of Internal Revenue (BIR) in 2023. In 2021 and 2020, the Company obtained tax refund from the BIR amounting to ₱22.8 million and ₱34.5 million, respectively.

Trade and Other Receivables decreased to ₱746.7 million from ₱782.5 million in 2022, ₱515.0 million in 2021, and ₱475.3 million in 2020. The decrease against 2022 pertain to collection of nickel ore sold in 2022 collected in 2023. The increase, on the other hand, against 2021 and 2020 pertains to the sale of nickel ore and lime collected in the subsequent year.

Inventories increased to ₱248.0 million from ₱180.6 million in 2022, ₱142.1 million in 2021, and ₱101.1 million in 2020. The increase is mainly due to the nickel ore produced from the continuous mining in its nickel operation.

Financial assets at fair value through profit or loss (FVPL) increased to ₱1.3 billion from ₱1.1 billion in 2022 and ₱675.0 million in 2021. The increase pertains to the additional investment in unit trust fund and change in the net asset value per unit of UITF investments.

Other current assets increased to ₱660.6 million from ₱352.4 million in 2022, ₱481.7 million in 2021, and ₱398.7 million in 2020. Short-term investments are time deposit with maturities of more than 90 days but less than one year. The increase is attributable mainly from the short-term investments amounting to ₱407.5 million.

Property, plant and equipment at revalued amount slightly increased to ₱1.8 billion from ₱1.7 billion in 2022, ₱1.7 billion in 2021 and ₱1.7 billion in 2020. In 2023, the Company recognized revaluation increment on land amounting to ₱46.8 million.

Property, plant and equipment (PPE) at cost, slightly improved to ₱789.9 million from ₱780.2 million, but lower than the ₱848.4 million in 2021 and ₱942.0 million in 2020. The increase this year is on account of the additional equipment acquired amounting to ₱70.3 million partly offset by the depletion and depreciation booked this year.

Deferred mine exploration costs increased to ₱520.4 million from ₱492.5 million in 2022, ₱455.4 million in 2021 and ₱456.8 million in 2020. Additions pertains to drilling and other ongoing exploration activities in the Company's Pantingan gold and aggregates prospect in Bataan.

Investment properties slightly increased to ₱2,998.0 million from ₱2,992.0 million in 2022, ₱2,910.7 million in 2021 and ₱2,633.7 million in 2020.

Decrease in deferred tax assets pertain to additional allowance for impairment losses, payment of lease liabilities and increase in pension liability.

Other noncurrent assets increased to ₱488.9 million from ₱471.9 million in 2022, ₱402.0 million in 2021 and ₱406.8 million in 2020. The increase pertains mainly to the Creditable Withholding Tax on various purchases withheld by the withholding agent and additional mine rehabilitation fund in compliance with the requirement of the Mines and Geo-sciences Bureau (MGB).

Liabilities

Total consolidated liabilities as of December 31, 2023, amounted to ₱1.97 billion, an 8% reduction than the ₱2.1 billion in 2022. This is also 16% lower than the ₱2.3 billion liabilities in 2021 and also 24% lower than the ₱2.6 billion in 2020. The decrease was due to the following:

Trade and other payables decreased to ₱507.8 million from ₱555.7 million in 2022, ₱669.4 million in 2021 and ₱620.7 million in 2020. The decrease was on account of payment of accrued expenses due to suppliers, employees and various admin expenses.

Loans payable slightly increased to ₱339.24 million from ₱337.0 million in 2022 and 2021. This is, however, lower against the ₱509.0 million in 2020. The reduction against 2020 was mainly due to the full payment of ₱185.0 million loan with Transmiddle East partly offset by accrued interest.

Lease liabilities (current and noncurrent) amounted to ₱8.3 million in 2023, ₱12.1 million in 2022, ₱21.1 million in 2021 and ₱6.2 million in 2020. The decrease is attributable to payment of the Group's lease liabilities during the year coupled with non-qualification of Group's lease contracts as finance lease.

The increase versus 2020 and 2019 was due to several lease contracts entered into by the Company for additional spaces in compliance with health protocols.

Liability for mine rehabilitation (current and noncurrent) amounted to ₱62.1 million in 2023, ₱59.1 million in 2022, ₱60.7 million in 2021 and ₱105.6 million in 2020. Provision for Mine Rehabilitation costs represent the Company's estimated mine closure costs. Increase in liability for mine rehabilitation is mainly from the accretion costs during the year.

Income tax liability amounted to ₱33.3 million lower compared to ₱105.9 million in 2022, ₱137.8 million in 2021 and ₱2.0 million in 2020. The liability pertains to BRMC income tax due during the 4th quarter of 2023. The decline against previous years is due to lower taxable income reported in 2023.

Pension liability amounted to ₱58.2 million in 2023, ₱56.0 million in 2022, ₱73.4 million in 2021 and ₱81.8 million in 2020. The Company has a funded, noncontributory pension benefit plan covering all regular employees. The benefits are based on a certain percentage of the final monthly salary for every year of credited service of the employees. The defined pension benefit obligation is determined using the projected unit credit method. The Company's plan assets are being managed by a trustee bank. The retirement fund are invested in time deposits, shares of stocks, which are traded in the PSE, and unquoted shares of stocks.

Deferred tax liability amounted to ₱775.9 million in 2023, higher than ₱769.2 million in 2022, ₱748.6 million in 2021 and ₱882.5 million in 2020. Increase pertains to the realization of revaluation increment on PPE,

Other noncurrent liabilities decreased to ₱185.7 million from ₱237.8 million, 2022, ₱291.8 million in 2021 and ₱391.4 million in 2020. The decline was mainly due to the partial repayment of advances from nickel offtaker.

Equity
Stockholders Equity at year-end amounted to ₱8.4 billion, higher than ₱7.8 billion in 2022, ₱6.4 billion in 2021 and ₱4.8 billion in 2020. The increase was due to the following:

Capital surplus of ₱415.1 million in 2022 remained unchanged this year but higher than ₱409.9 million in 2021 and ₱389.0 million in 2020. The increase against 2021 and 2020 was due to the exercise of stock options in 2023.

Retained earnings amounted to ₱5.9 billion, higher versus ₱5.3 billion in 2022, ₱4.0 billion in 2021 and ₱2.6 billion in 2020. The increase was due to the net income reported during the year.

Other components of equity amounted to ₱1.42 billion compared to P1.40 billion in 2022, ₱1.36 billion in 2021 and ₱1.2 billion in 2020. Increase is from the revaluation increment of land and artworks.

Consolidated Cash Flows
The net cash flows generated from operating activities for 2023 amounted to ₱114.9 million, lower compared to ₱1,202.3 million in 2022, ₱1,347.3 million in 2021 and ₱252.9 million in 2020.

In 2023, the net cash flows came mainly from the sale of 16 boatloads of nickel ore to China, 5,803.21 ounces of gold and ₱134.98 million VAT refund granted by the BIR.

In 2022, the net cash flows generated was attributable mainly to the 22 boatloads of nickel ore, 9,363 ounces of gold sold and ₱136.3 million VAT refund obtained from the BIR. In 2021 and 2020, net cash flows came mainly from the sale of nickel ore to China, gold sold to Bangko Sentral ng Pilipinas (BSP) and VAT refund obtained from the BIR.

During the year, the Company invested ₱28.3 million in exploration activities, P406.5 million in short-term investments, ₱68.3 million in mining, milling and logistics equipment. The Company also invested ₱162.3 million in unit trust funds and ₱6.2 million in investment properties.

In 2022, the Company invested ₱31.2 million in exploration activities and ₱45.4 million in mining and milling equipment for the expansion of its Acupan Gold Project and Sta. Cruz Nickel Operation in Zambales. The Company also invested ₱480.7 million in unit trust funds during the year.

In 2021, the Company invested ₱11.7 million in exploration activities and ₱40.9 million in mining and milling equipment for the expansion of its Acupan Gold Project and Sta. Cruz Nickel Operation in Zambales. The Company also invested ₱660.1 million in unit trust funds during the year.

In 2020, the Company invested ₱10.8 million in exploration activities and ₱40.9 million in mining and milling equipment for the expansion of its Acupan Gold Project and Sta. Cruz Nickel Operation in Zambales.

Net cash flows used in financing activities amounted to ₱5.6 million in 2023, ₱8.4 million in 2022. ₱180.2 million in 2021 and ₱2.8 million in 2020. During the year, the Company paid some of its nickel offtake advances to Korean trading company and other contractors/liabilities.

In 2022, the Company paid some of its nickel offtake advances to Bright Mining Resources Corporation and other contractors/suppliers.

In 2021, the Company fully paid its outstanding loan with Transmiddle East amounting to ₱185.0 million and made some payment to Bright Mining Resources Corporation and other contractors amounting to ₱99.6 million. The usage was partly offset by the cash generated from employees' exercise of stock options and issuance of stocks amounting to ₱9.8 million.

II. FOR THE YEARS ENDED DECEMBER 31, 2022 VERSUS 2021

CONSOLIDATED RESULTS OF OPERATIONS

Comparative balances for December 31, 2022 and December 31, 2021
Amount in Millions

	2022	2021	Change	% of Change
Revenue	4,025.2	3,841.9	183.3	4.8%
Costs and Operating Expenses				
Costs of mine products sold	(970.4)	(921.7)	(48.7)	(5.3%)
Costs of services and other sales	(80.2)	(74.8)	(5.4)	(7.2%)
Selling and general expenses	(1,078.5)	(992.3)	(86.2)	(8.7%)
Excise taxes and royalty fees	(299.7)	(284.3)	(15.4)	(5.4%)
	(2,428.8)	(2,273.1)	(155.7)	(6.8%)
Interest expense	(1.1)	(3.9)	(2.8)	(71.8%)
Other Income	164.0	229.1	(65.1)	(28.4%)
Income before income tax	1,759.3	1,794.0	(34.7)	(1.9%)
Provision for income tax	428.2	372.4	55.8	15.0%
Net Income	1,331.1	1,421.6	(90.5)	(6.4%)

Comparative balances as of December 31, 2021 and December 31, 2020
Amount in Millions

	2021	2020	Change	% of Change
Revenue	3,841.9	1,619.7	2,222.2	137.2%
Costs and Operating Expenses				
Costs of mine products sold	(921.7)	(725.7)	(195.9)	(27.0%)
Costs of services and other sales	(74.8)	(39.2)	(35.6)	(90.8%)
Selling and general expenses	(992.3)	(408.4)	(583.9)	(143.0%)
Excise taxes and royalty fees	(284.3)	(101.0)	(183.3)	(181.5%)
	(2,273.1)	(1,274.3)	(998.8)	(78.4%)
Interest expense	(3.9)	(3.1)	(0.8)	(25.8%)
Other Income	229.1	141.0	88.1	62.5%
Income before income tax	1,794.0	483.3	1,310.7	271.2%
Provision for income tax	372.4	101.9	270.5	265.5%
Net Income	1,421.6	381.4	1,040.2	272.7%

Comparative balances as of December 31, 2020 and December 31, 2019
Amount in Millions

	2020	2019	Change	% of Change
Revenue	1,619.7	802.1	817.6	101.9%
Costs and Operating Expenses				
Costs of mine products sold	(725.7)	(504.3)	(221.5)	(43.9%)
Costs of services and other sales	(39.2)	(49.8)	10.6	21.3%
Selling and general expenses	(408.4)	(340.3)	(68.1)	(20.0%)
Excise taxes and royalty fees	(101.0)	(29.4)	(71.6)	(243.5%)
	(1,274.3)	(923.8)	(350.5)	(38.0%)
Interest expense	(3.1)	(2.0)	(1.1)	(55.0%)
Other Income	141.0	272.1	(131.1)	(48.2%)
Income before income tax	483.3	148.3	335.0	225.8%
Provision for income tax	101.9	32.6	69.3	212.6%
Net Income	381.4	115.7	265.7	229.6%

The Company continued its growth momentum despite the increasing cost of power, fuel and supplies brought by the Russia and Ukraine War.

Consolidated net income for 2022 amounted to ₱1.3 billion, lower than the net income of P1.4 billion in 2021, (more than 3 times higher than the net income of ₱381.4 million in 2020 and twelve times higher than net income of ₱115.7 million in 2019). The increase/decrease in net income was the net effect of the following:

Revenues

The Company registered consolidated revenues of ₱4.0 billion, 5% higher than the ₱3.8 billion in 2021, 149% higher than the ₱1.6 billion in 2020 and 402% higher than ₱802.0 million in 2019. Revenues were composed mainly of nickel, gold and lime sales.

	2022	2021	2020	2019
Nickel	₱2,952.3	₱2,766.5	₱818.3	₱64.7
Gold and silver	914.8	945.8	704.3	576.5
Lime and others	158.1	129.6	97.1	160.9
Gross Revenue	₱4,025.2	₱3,841.9	₱1,619.7	₱802.1

Revenues increased at the back of higher metal prices, higher volume of nickel ore sold and favorable foreign exchange. BRMC shipped 22 boatloads of 1.2% to 1.4% nickel ore aggregating 1,169,328 tons higher as compared to 22 boatloads of 1.2% to 1.5% nickel ore aggregating 1,175,050 tons in 2021, 9 boatloads of 1.2% to 1.4% nickel ore aggregating 483,952 tons in 2020, and 1 boatload of 1.5% nickel ore aggregating 55,000 tons sold in 2019. Nickel ore was sold at effective average price of US$46.97/ton this year, versus US$47.38/ton in 2021, US$34.21/ton in 2020 and US$22.50/ton in 2019. Nickel sales contributed 73% of gross revenues. Gold sales on the other hand contributed 23% on account of better price in 2022. The Acupan Gold Project (AGP) sold 9,363.56 ounces of gold in 2022 against 10,685.25 ounces in 2021, 8,081 ounces in 2020 and 8,236.65 ounces in 2019. Average selling price of gold in 2022 is US$1,802.02/ounce versus US$1,806.02/ounce in 2021, US$1,750.25/ounce in 2020 and US$1,395.43/ounce in 2019.

Operating and Other Expenses

Cost and operating expenses increased to ₱2.4 billion from ₱2.3 billion in 2021, ₱1.3 billion in 2020, and ₱923.8 million in 2019. The increase is mainly due to higher cost of production of nickel ores, gold and lime this year brought by the increasing cost of power, fuel, materials and supplies and contractors fees.

Cost of mine products sold increased to ₱970.4 million in 2022 from ₱921.7 million in 2021, ₱725.8 million in 2020 and ₱504.3 million in 2019. The increase is mainly due to higher cost of production of nickel ores, gold and lime in 2022 brought by the increasing cost of power fuel, materials and supplies and contractors fees.

Costs of services and other sales increased to ₱80.2 million from ₱74.8 million in 2021, ₱39.2 million in 2020 and ₱49.8 million in 2019. The increase is mainly due to high cost of fuel and materials and supplies.

Selling and general expenses increased to ₱1.1 billion in 2022 from ₱992.3 million in 2021, ₱408.4 million in 2020 and ₱340.3 million in 2019. The increase is mainly due to higher volume of nickel ores sold in 2022 and increasing cost of fuel, power and contractors fees.

Excise taxes are taxes imposed by the Bureau of Internal Revenue (BIR) on the extraction of mineral resources. Royalty fees, on the other hand, are fees imposed by the Mines and Geosciences Bureau (MGB) on the extraction of mineral resources in any mineral reservation areas. Excise taxes and royalty fees increased to ₱299.7 million from ₱284.3 million in 2021, ₱101.0 million in 2020 and ₱29.4 million in 2019. Increase is mainly from higher revenues from sale of nickel laterite ore.

Other income in 2022 amounted to ₱164.0 million, lower than ₱229.1 million in 2021, ₱141.0 million other income in 2020, and ₱272.1 million in 2019. The other income in 2022 is attributable to the gain on revaluation of investment properties amounting to ₱85.3 million, against ₱277.0 million gain in revaluation of investment properties in 2021, ₱154.8 million gain in revaluation of investment properties in 2020, (and ₱287.2 million gain in revaluation of investment properties, ₱68.6 million gain on sale of properties and ₱22.5 million gain on settlement of trade and other liabilities in 2019).

Provision for income tax in 2022 amounted to ₱428.2 million versus ₱372.4 million in 2021, ₱101.9 million in 2020, and ₱32.6 million in 2019. The provision for income tax pertains to the Regular Income Tax (RCIT), Minimum Corporate Income Tax (MCIT) and Provision for deferred tax assets of the Benguet Corporation (Parent company), Benguetcorp Resources Management Corporation (BRMC), Arrow Freight and Construction Corporation (AFCC) (formerly Arrow Freight Corporation(AFC)) and Keystone Port Logistics and Management Services Corporation (KPLMSC).

FINANCIAL POSITION

Comparative balances for December 31, 2022 and December 31, 2021

Amount in Millions

	2022	**2021**	**Change**	**% of Change**
Assets				
Current Assets				
Cash and cash equivalent	1,002.8	603.2	399.6	66.2%
Trade and other receivables	782.5	514.9	267.5	52.0%
Inventories	180.6	142.1	38.5	27.1%
Financial assets at fair value through profit or loss	1,114.6	675.0	439.6	65.1%
Other current assets	352.4	481.7	(129.3)	(26.8%)
Total Current Assets	**3,432.9**	**2,416.9**	**1,016.0**	**42.0%**
Noncurrent Assets				
Property, plant and equipment-at revalued amount	1,729.7	1,703.4	26.3	1.5%
Property, plant and equipment-at cost	780.2	848.4	(68.2)	(8.0%)
Deferred mine exploration costs	492.5	455.4	37.1	8.1%
Investment properties	2,992.0	2,910.7	81.3	2.8%
Deferred tax assets – net	9.9	11.6	(1.7)	(14.7)
Other noncurrent assets	471.9	402.9	69.0	17.1
Total Noncurrent assets	**6,476.2**	**6,332.4**	**143.8**	**2.3%**
Total Assets	**9,909.1**	**8,749.3**	**1,159.8**	**13.3%**
Liabilities				
Current Liabilities				
Loans payable	337.0	337.0	0	0.0%
Trade and other payables	555.7	669.4	(113.7)	(17.0%)

Lease liabilities	6.3	9.2	(2.9)	(31.5%)
Liability for mine rehabilitation	10.5	6.6	3.9	59.1%
Income tax payable	105.9	137.8	(31.9)	(23.1%)
Total current liabilities	1,015.4	1,160.0	(144.6)	(12.5%)
Noncurrent liabilities				
Lease liabilities-net of current portion	5.8	11.9	(6.1)	(51.3%)
Liability for mine rehabilitation-net of current portion	48.6	54.2	(5.6)	(10.3%)
Pension liability	56.0	73.3	(17.3)	(23.6%)
Deferred tax liabilities	769.2	748.6	20.6	2.8%
Other noncurrent liabilities	237.8	291.8	(54.0)	(18.5%)
Total Noncurrent Liabilities	**1,117.4**	**1,179.8**	**(62.4)**	**(5.3%)**
Total Liabilities	**2,132.8**	**2,339.8**	**(207.0)**	**(8.8%)**
Equity				
Capital Stock	624.0	624.0	0	0.0%
Capital Surplus	415.1	409.9	5.2	1.3%
Cost of Share-based payment	6.3	9.2	(2.9)	(31.5%)
Retained earnings	5,353.4	4,021.8	1,331.6	33.1%
Other components of equity	1,385.4	1,352.6	32.8	2.4%
	7,784.2	6,417.5	1,366.7	21.3%
Treasury shares	(8.0)	(8.0)	0	0.0%
Total Equity	7,776.2	6,409.5	1,366.7	21.3%
Total Liabilities and Equity	9,909.1	8,749.3	1,159.8	13.3%

Comparative balances for December 31, 2021 and December 31, 2020
Amount in Millions

	2021	**2020**	**Change**	**% of Change**
Assets				
Current Assets				
Cash and cash equivalent	603.2	271.5	331.7	122.2%
Trade and other receivables	514.9	475.3	39.6	8.3%
Inventories	142.1	101.1	41.0	40.6%
Financial assets at fair value through profit or loss	675.0	0	675.0	0%
Other current assets	481.7	398.7	83.0	20.8%
Total Current Assets	2,416.9	1,246.6	1,170.3	93.9%
Noncurrent Assets				
Property, plant and equipment-at revalued amount	1,703.4	1,673.3	30.1	1.8%
Property, plant and equipment-at cost	848.4	942.0	(93.6)	(9.9%)
Financial assets measured at fair value through other comprehensive income (FVOCI)	0.9	13.4	(12.5)	(93.3%)
Deferred mine exploration costs	455.4	456.8	(1.4)	(0.3%)
Investment properties	2,910.7	2,633.7	277.0	10.5%
Deferred tax assets – net	11.6	6.7	4.9	73.1%
Other noncurrent assets	402.0	406.8	(4.8)	(1.2%)
Total Noncurrent assets	**6,332.4**	**6,132.7**	**199.7**	**3.3%**
Total Assets	**8,749.3**	**7,379.3**	**1,370.0**	**18.6%**
Liabilities				
Current Liabilities				
Loans payable	337.0	509.0	(172.0)	(33.8%)
Trade and other payables	669.4	620.7	48.7	7.8%

Lease liabilities	9.2	1.7	7.5	441.2%
Liability for mine rehabilitation	6.6	38.1	(31.5)	(82.7%)
Income tax payable	137.8	2.0	135.8	6790.0%
Total current liabilities	**1,160.0**	**1,171.5**	**(11.5)**	**(1.0%)**
Noncurrent liabilities				
Lease liabilities-net of current portion	11.9	4.5	7.4	164.4%
Liability for mine rehabilitation-net of current portion	54.2	67.5	(13.3)	(19.7%)
Pension liability	73.3	81.8	(8.5)	(10.4%)
Deferred tax liabilities	748.6	882.5	(133.9)	(15.2%)
Other noncurrent liabilities	291.8	391.4	(99.6)	(25.4%)
Total Noncurrent Liabilities	**1,179.8**	**1,427.7**	**(247.9)**	**(17.4%)**
Total Liabilities	**2,339.8**	**2,599.2**	**(259.4)**	**(10.0%)**
Equity				
Capital Stock	624.0	617.2	6.8	1.1%
Capital Surplus	409.9	389.0	20.9	5.4%
Cost of Share-based payment	9.2	13.4	(4.2)	(31.3%)
Retained earnings	4,021.8	2,598.8	1,423.0	54.8%
Other components of equity	1,352.6	1,169.7	182.9	15.6%
	6,417.5	4788.1	1,629.4	34.0%
Treasury shares	(8.0)	(8.0)	0	0.0%
Total Equity	**6,409.5**	**4,780.1**	**1,629.4**	**34.1%**
Total Liabilities and Equity	**8,749.3**	**7,379.3**	**1,370.0**	**18.6%**

Comparative balances for December 31, 2020 and December 31, 2019
Amount in Millions

	2020	**2019**	**Change**	**% of Change**
Assets				
Current Assets				
Cash and cash equivalent	271.5	77.2	194.3	251.7%
Trade and other receivables	475.3	289.9	185.4	64.0%
Inventories	101.1	132.1	(31.0)	(23.5%)
Financial assets at fair value through profit or loss	0.0	0.0	0.0	0.0%
Other current assets	398.7	314.1	84.6	26.9%
Total Current Assets	1,246.6	813.3	433.3	53.3%
Noncurrent Assets				
Property, plant and equipment-at revalued amount	1,673.3	1,673.3	0.0	0.0%
Property, plant and equipment-at cost	942.0	963.9	(21.9)	(2.3%)
Financial assets measured at fair value through other comprehensive income (FVOCI)	13.4	13.2	0.2	1.5%
Deferred mine exploration costs	456.8	449.2	7.6	1.7%
Investment properties	2,633.7	2,478.9	154.8	6.2%
Deferred tax assets – net	6.7	47.7	(41.0)	(86.0%)
Other noncurrent assets	406.8	482.0	(75.2)	(15.6%)
Total Noncurrent assets	**6,132.7**	**6,108.2**	**24.5**	**0.4%**
Total Assets	**7,379.3**	**6,921.5**	**457.8**	**6.6%**
Liabilities				
Current Liabilities				
Loans payable	509.0	507.9	1.1	0.2%
Trade and other payables	620.7	576.9	43.8	7.6%

Lease liabilities	1.7	2.5	(0.8)	(32.0%)
Liability for mine rehabilitation	38.1	25.0	13.1	52.4%
Income tax payable	2.0	0.7	1.3	185.7%
Total current liabilities	**1,171.5**	**1,113.0**	**58.5**	**5.3%**
Noncurrent liabilities				
Lease liabilities-net of current portion	4.5	5.6	(1.1)	(19.6%)
Liability for mine rehabilitation-net of current portion	67.5	66.6	0.9	1.4%
Pension liability	81.8	62.6	19.2	30.7%
Deferred tax liability	882.5	848.0	34.5	4.1%
Other noncurrent liabilities	391.4	414.2	(22.8)	(5.5%)
Total Noncurrent Liabilities	**1,427.7**	**1,397.0**	**30.7**	**2.2%**
Total Liabilities	**2,599.2**	**2,510.0**	**89.2**	**3.6%**
Equity				
Capital Stock	617.2	616.9	0.3	0.0%
Capital Surplus	389.0	380.4	8.6	2.3%
Cost of Share-based payment	13.4	0.0	13.4	0.0%
Retained earnings	2,598.8	2,217.4	381.4	17.2%
Other components of equity	1,169.7	1,205.0	(35.3)	(2.9%)
	4,788.1	4,419.7	368.4	8.3%
Treasury shares	(8.0)	(8.0)	0.0	0.0%
Total Equity	**4,780.1**	**4,411.7**	**368.4**	**8.4%**
Total Liabilities and Equity	**7,379.3**	**6,921.6**	**457.7**	**6.6%**

Assets

The Company’s consolidated total assets as of December 31, 2022, amounted to ₱9.9 billion, 13% higher than ₱8.7 billion in 2021, (34% higher than ₱7.4 billion in 2020 and 43% higher than ₱6.9 billion in 2019). The increase is the net effect of the following:

Cash and cash equivalent increased by 66% to ₱1,002.7 million from ₱603.2 million in 2021, 268% higher than ₱271.5 million in 2020 and thirteen times higher than ₱77.2 million in 2019. The increase was mainly from the collection of nickel ore sold in 2022 and 2021 and the P136.4 million tax refund obtained from the Bureau of Internal Revenue (BIR) in 2022. In 2021, 2020 and 2019, the Company obtained tax refund from the BIR amounting to ₱22.8 million, ₱34.5 million and ₱33.5 million, respectively.

Trade and other receivables increased to ₱782.5 million versus ₱514.9 million in 2021, ₱475.3 million in 2020 and ₱290.0 million in 2019. The increase pertains to the receivables from sale of nickel ore and lime sold in 2022 and 2021. These are collected the following year.

Inventories increased to ₱180.6 million in 2022 from ₱142.1 million in 2021, ₱101.1 million in 2020 and ₱132.1 million in 2019. The increase is mainly due to the nickel laterite ore production in 2022 and 2021.

Financial assets at fair value through profit or loss (FVPL) amounting to ₱1.1 billion in 2022 from ₱675.0 million in 2021. The increase pertains to the additional investment in unit trust fund and fair value gain recognized in 2022. The investment was only made in 2021.

Other current assets decreased to ₱352.4 million in 2022 from ₱481.7 million in 2021, ₱398.7 million in 2020, and ₱314.1 million in 2019. The decrease is attributable mainly to the VAT refund claimed amounting to ₱149.0 million in 2022, ₱30.2 million in 2021, ₱39.6 million in 2021 and ₱40.23 million in 2019.

The property, plant and equipment (PPE) at revalued amount slightly increased to ₱1.73 billion in 2022 from ₱1.70 billion in 2021, in 2020 and in 2019. In 2021, the Company recognized revaluation increment on land amounting to ₱30.1 million.

Property, plant and equipment (PPE) at cost, decline to ₱780.2 million in 2022 from ₱848.4 million in 2021, ₱942.0 million in 2020, and ₱963.9 million in 2019. The decline was mainly due to the depletion and depreciation and sale of AFCC's 2,045 sq.m. property located in San Pedro, Province of Laguna.

Deferred mine exploration costs increased to ₱492.5 million in 2022 from ₱455.4 million in 2021, ₱456.8 million in 2020 and ₱449.2 million in 2019. The increase pertains mainly to drilling and other ongoing exploration activities in the Company's Pantingan gold and aggregate prospect in Bataan.

Investment properties amounted to ₱2,992.0 million in 2022, higher than ₱2,910.7 million in 2021, ₱2,633.7 million in 2020 and ₱2,478.9 million in 2019. The increase is mainly from the ₱85.3 million revaluation gain on investment property booked in 2022, ₱277.0 million in 2021, ₱154.8 million in 2020 and ₱287.2 million in 2019.

Other noncurrent assets increased to ₱471.0 million in 2022 from ₱402.9 million in 2021, ₱406.8 million in 2020 and ₱482.0 million in 2019. The increase is mainly due to increase in deferred input VAT and additional funding related to the Group's mine rehabilitation fund.

Liabilities

Total consolidated liabilities as of December 31, 2022, amounted to ₱2.1 billion, 9% lower than ₱2.3 billion in 2021, (18% lower than ₱2.6 billion in 2020 and 15% lower than ₱2.5 billion in 2019). The decrease was due to the following:

Trade and other payables decreased to ₱555.7 million in 2022 from ₱669.4 million in 2021, ₱620.7 million in 2020 and ₱576.9 million in 2019. The decrease is due to repayment made to various suppliers and contractors.

Loans payable in 2022 remained unchanged against ₱337.0 million in 2021. This is, however, lower against the ₱509.0 million in 2020 and ₱507.9 million in 2019. The reduction was mainly due to the full payment of ₱185.0 million loan with Transmiddle East partly offset by accrued interest.

Lease liabilities (current and noncurrent) amounted to ₱12.1 million versus ₱21.1 million in 2021, ₱6.2 million in 2020 and ₱8.1 million in 2019. The decline was due to payment of lease liabilities. No additional leases were entered into by the Group in 2022. On the other hand, the increase in 2020 was due to several lease contracts entered into by the Company for additional spaces in compliance with health protocols.

Liability for mine rehabilitation (current and noncurrent) in 2022 amounted to ₱59.1 million versus ₱60.7 million in 2021, ₱105.6 million in 2020 and ₱91.6 million in 2019. Provision for Mine Rehabilitation costs represent the Company's estimated rehabilitation costs.

Income tax liability amounted to ₱105.9 million in 2022 against ₱137.8 million in 2021, ₱2.0 million in 2020 and ₱0.7 million in 2019. The decrease is due to the higher payments of income tax in the first three quarters of 2022.

Pension liability amounted to ₱56.0 million in 2022, ₱73.4 million in 2021, ₱81.8 million in 2020 and ₱62.5 million in 2019. The Company has a funded, noncontributory pension benefit plan covering all regular employees. The benefits are based on a certain percentage of the final monthly salary for every year of credited service of the employees. The defined pension benefit obligation is determined using the projected unit credit method. The Company's plan assets are being managed by a trustee bank. The retirement fund includes time deposits, shares of stocks, which are traded in the PSE, and unquoted shares of stocks.

Deferred tax liability amounted to ₱769.2 million in 2022, ₱748.6 million in 2021, ₱882.5 million in 2020 and ₱848.0 million in 2019. Increase pertains to the additional revaluation increment on PPE and recoveries of allowance on inventory obsolescence.

Other noncurrent liabilities decreased to ₱237.8 million in 2022 from ₱291.8 million in 2021, ₱391.4 million in 2020, and ₱414.2 million in 2019. The decline was mainly due to the repayment made to Bright Mining Resources Corporation. Bright Mining provided advances to the Company against nickel ore shipment.

Equity

Stockholders Equity at year-end amounted to ₱7.8 billion, higher than the ₱6.4 billion in 2021, ₱4.8 billion in 2020, and ₱4.4 billion in 2019. The increase was due to the following:

Capital surplus increased to ₱415.1 million from ₱409.9 million in 2021, ₱389.0 million in 2020, and ₱380.4 million in 2019. The increase is due to the cancelled and expired stock options in 2022 and exercise of stock options in 2021.

Retained earnings amounted to ₱5.3 billion in 2022, higher versus ₱4.0 billion in 2021, ₱2.6 billion in 2020 and ₱2.2 billion in 2019. The increase was due to the net income earned during the year.

Other components of equity amounted to ₱1.4 billion in 2022, compared to ₱1.36 billion in 2021, ₱1.2 billion in 2020 and ₱1.2 billion in 2019. Increase is from the revaluation increment, net of deferred tax, cumulative translation adjustments, remeasurement gain on pension liability and unrealized gain on FVOCL.

Consolidated Cash Flow

The net cash flows generated from operating activities for 2022 amounted to ₱1,243.4 million, versus ₱1,347.3 million in 2021, ₱252.9 million in 2020, and net cash used of ₱281.0 million in 2019. The net cash flows generated was attributable mainly from the 22 boatloads of nickel ore and 9,363 ounces of gold sold in 2022 and ₱136.3 million VAT refund obtained from the BIR. In 2021 and 2020, net cash flows came mainly from the sale of nickel ore to China, gold sold to

Bangko Sentral ng Pilipinas (BSP) and VAT refund obtained from the BIR. In 2019, cash was used to settle its trade payables.

In 2022, the Company generated ₱64.1 million from the disposal of financial assets at FVPL, PPE and investment properties. In 2022, the Company invested ₱31.2 million in exploration activities and ₱45.4 million in mining, milling and logistics equipment for the expansion of its Acupan Gold Project and Sta. Cruz Nickel Operation in Zambales and AFCC logistics operation. The Company also invested ₱480.7 million in unit trust funds during the year, and advanced ₱258 million to suppliers and contractors.

In 2021, the Company invested ₱11.7 million in exploration activities and ₱40.9 million in mining and milling equipment for the expansion of its Acupan Gold Project and Sta. Cruz Nickel Operation in Zambales. The Company also invested ₱660.1 million in unit trust funds.

In 2020, the Company invested ₱10.8 million exploration activities and ₱27.3 million in mining and milling equipment for the expansion of its Acupan Gold Project and Sta Cruz Nickel Operation in Zambales.

In 2019, the Company generated ₱150.6 million from the sale of its real property. The Company invested ₱4.0 million in exploration activities and ₱38.0 million in mining equipment for the expansion of its Acupan Gold Project.

Net cash flows used in financing activities amounted to ₱8.4 million in 2022, ₱180.2 million in 2021, ₱2.8 million in 2020 and ₱29.8 million in 2019. During the year, the Company paid some of its advances from Bright Mining Resources Corporation and its liabilities.

In 2021, the Company fully paid its outstanding loan with Transmiddle East amounting to ₱185.0 million and made some payment to Bright Mining Resources Corporation and other contractors amounting to ₱99.6 million. The usage was partly offset by the cash generated from employees' exercise of stock options and issuance of stocks amounting to ₱9.8 million.

In 2019, the Company fully settled its loan payable to a local bank amounting to ₱22.8 million.

III. Key Performance Indicators

The Company's considered the following top five key performance indicators:

Working Capital
Working capital (current assets less current liabilities) and current ratio (current assets over current liabilities) measures the liquidity or debt paying ability of the Company. As of December 31, 2023, the Company's current ratio is 4.16:1, 3.38:1 in 2022, 2.08:1 in 2021 and 1.06:1 in 2020.

Metal Price
The Company's revenue is largely dependent on the world market prices for gold and nickel. Favorable metal prices will also have a favorable impact on the Company's revenue. The market price of gold in the Bangko Sentral ng Pilipinas which is based on world spot market prices provided by the London Metal Exchange for gold is the key indicator in determining the Company's revenue level. Average market prices for gold sold were at US$1,941.83 per ounce this year, US$1,802.02 per ounce in 2022, US$ 1,806.68 per ounce in 2021 and US$1,750.25 per ounce in 2020. Nickel ore was sold at effective average price of US$37.07/ton this year, US$46.97/ton in 2022, US$47.38/ton in 2021 and US$34.21/ton in 2020.

Tons Milled and Ore Grade
Tons milled and ore grade are key measures of operating efficiency. A lower unit production cost both in ore milled and smelting operation will result in the Company meeting, if not exceeding, its profitability targets. Tons milled totaled 29,195 in 2023, with average ore grade of 6.18 grams per ton of gold, compared to 47,516 in 2022, with average ore grade of 6.13 grams per ton of gold, 56,753 in 2021 with average grade of 5.86 grams per ton of gold and 43,756 in 2020 with average grade of 5.67 grams per ton of gold.

Gold sold in 2023 were 5,803.21 ounces versus 9,363.56 ounces in 2022 versus 10,685.25 ounces in 2021 and 8,081 ounces sold in 2020. BRMC sold nickel ore this year with an aggregate volume of 854,074 tons ranging from 1.3% to 1.4% grade nickel ores versus 1,169,328 ranging from 1.2% to 1.4% grade nickel ores in 2022 versus 1,175,050 tons of 1.2% to 1.5% grade nickel ores in 2021 and 1.2% to 1.4% grade nickel ores in 2020 with total tonnage of 483,952.

Foreign Exchange Rate
The Company's sales proceeds of its gold and nickel are mainly in U.S. dollars. A higher Philippine Peso to U.S. dollar exchange rate means higher Peso sales but would also reflect a foreign exchange loss on the restatement of the Company's dollar obligations. Conversely, a lower exchange rate reduces the Company's revenue in pesos but brings foreign exchange income on the loans. As of December 31, 2023, the peso to dollar exchange rate was at ₱55.37, ₱55.82 in 2022, ₱50.99 in 2021 and ₱48.021 in 2020.

Earnings Per Share
The earnings per share ultimately reflects the Company's financial and operational growth as a result of its performance in cost management, productivity and will provide investors comparable benchmarks relative to similar companies. The increase in the sale of gold and shipment of nickel ore will have a favorable impact on the Company's net sales and income. The reported Company earnings per share in 2023 is ₱0.89, ₱2.14 in 2022, ₱2.29 in 2021 and ₱0.62 in 2020.

IV. <u>Known Trends, Events or Uncertainties</u>

The Company does not foresee any cash flow or liquidity problems over the next twelve (12) months. BRMC continues its mining operations and carries on to market saleable nickel ores; ILP continues to maintain steady market for quicklime products; AGP is expected to boost gold production and provide positive financial results despite upsurge in operating costs caused by escalating price of commodities and services, exorbitant power charges, fuel hikes, materials and supplies and some services. The Company continues to pursue the innovation and enhancement of milling processes, methods, and equipment. The Company and its subsidiaries continue to claim applicable tax refunds from the Bureau of Internal Revenue.

Within the next twelve (12) months, the Company anticipates slight changes in the number of employees due to hiring of Project/Seasonal workers for the Pantingan project, BRMC, AFCC and KPLMSC.

The known trends, demands, commitments, events or uncertainties that may have a material impact on net sales or revenues or income from continuing operations of the Company are the prices of nickel and gold in the world market, the dollar to peso exchange rate, changes in the DENR's rules and regulations, drastic changes in fuel prices and the present economic condition affected by global health issues, war and military conflicts.

There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation that have not been booked. The Company could be contingently liable for lawsuits and claims arising from the ordinary course of business which are unlikely to be substantial and not presently determinable. Accordingly, efforts to reduce debt levels are continuing. The Parent Company's outstanding principal debt subject to the 1992 Restructuring Agreement was reduced to ₱85.06 million. The Company remains committed to a final and comprehensive settlement of all the old debt or to arrange a suitable restructuring of the remaining obligations.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationship of the Company with unconsolidated entities or other persons created during the reporting period.

Except for what has been noted in the preceding paragraph, there were no material events or uncertainties known to management that had material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
- Known trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.
- Significant elements of income or loss that did not arise from the Company's continuing operations;
- Material changes in the financial statements of the Company from the year ended December 31, 2023 vs December 31, 2022; and
- Seasonal aspects that had a material impact on the Company's financial condition or results of operations.

ITEM 7. FINANCIAL STATEMENTS

The Audited Consolidated Financial Statements (Benguet Corporation and Subsidiaries) for the period ended December 31, 2023 is presented in Part V, Exhibits and Schedules, which said audited financial statements form part of this Annual Report (SEC Form 17-A).

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The Company's independent public accountants, Sycip Gorres Velayo and Company (SGV) was re-appointed by the Board of Directors and approved/ratified by the stockholders of the Company on August 30, 2023 and November 8, 2023, respectively. Audit services of SGV for the calendar year ended December 31, 2023 included the examination of the parent and consolidated financial statements of the Company, assistance in the preparation of annual income tax return and other services related to filing of reports made with the Securities and Exchange Commission (SEC).

The Company is in compliance with SRC Rule 68, paragraph (3)(b)(iv) requiring the rotation of external auditors or engagement partners who have been engaged by the Company for a period of five (5) consecutive years. The Company's audit engagement partner for calendar year 2023 is Mr. Peter John R. Ventura- SEC accredited auditing partner of SGV and previously, Mr. Alexis C. Zaragoza. This is Mr. Ventura's fifth year as engagement partner for the Company. No event has occurred where SGV and the Company had any disagreement with regards to any matter relating to accounting principles or practices, financial statement disclosures, or auditing scope or procedures.

External audit fees

The aggregate audit fees inclusive of VAT and out-of-pocket expenses billed by SGV & Company are ₱6.6 million for 2023, ₱5.7 million for 2022, ₱5.5 million for 2021 and ₱5.5 million for 2020. There are no other services rendered by the external auditor other than the usual audit services as mentioned above.

Tax fees
Tax fees is nil in 2023, ₱1.1 million in 2022 and ₱0.7 million in 2021 to the external auditor as professional fees for tax advisory services. For the years 2020 and 2019, no professional fees for tax advisory services were paid to the external auditor.

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

Audit Committee's approval policies and procedures
Prior to the commencement of audit work, the external auditor presented their program and schedule to the Company which included discussion of issues and concerns regarding the audit work to be done. The external auditor presented to the Audit Committee the audited financial statements of the Company for the year for approval and endorsed to the Board for final approval prior to release/issuance by the external auditor. Representatives of SGV are expected to be present at the stockholders' meeting to respond to appropriate questions and will be given the opportunity to make a statement if they so desire.

The Audit Committee of the Company is composed of three (3) directors chaired by Independent Director, Atty. Rhodora L. Dapula, and the members are Independent Director, Dr. Bernardo M. Villegas and Director, Atty. Andrew Patrick R. Casiño.

PART III – CONTROL AND COMPENSATION INFORMATION

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

A. DIRECTORS

The Directors of the Company are elected at the Annual Stockholders' Meeting to hold office until the next succeeding annual meeting or until their respective successors have been elected and qualified. In the November 8, 2023 Annual Stockholders' Meeting, no election was held because the Temporary Restraining Order (TRO) issued by the Supreme Court enjoining the election of directors remained in force. The incumbent directors of the Company continued to remain in office on holdover capacity and below is a summary of their attendance to board meetings for the year 2023:

Board	Name	Date of Election/ Appointment	No. of Meetings Held During the Year	No. of Meetings Attended	% Attended
Chairman / Independent	Bernardo M. Villegas*	11.07.2019	6	6	100%
Member	Maria Remedios R.Pompidou	10.25.2000	6	6	100%
Member	Luis Juan L. Virata	08.08.1995	6	6	100%
Independent	Rhodora L. Dapula	08.16.2018	6	6	100%
Independent	Jose Raulito E.Paras**	08.16.2018	6	2	100%
Independent	Reginald S. Velasco***	08.16.2018	6	2	100%
Member	Andrew Patrick R. Casiño	06.04.2020	6	6	100%
Member	Kwok Yam Ian Chan	09.25.2020	6	6	100%
Member	Anthony M. Te	09.25.2020	6	6	100%
Member	Lina G. Fernandez	03.18.2021	6	6	100%
Member	Andrew Julian K. Romualdez	08.24.2022	6	6	100%
Member	Carlos Alfonso T. Ocampo****	08.30.2023	6	3	100%
Independent	Elmer B. Serrano****	08.30.2023	6	1	33%

(*) Mr. Bernardo M. Villegas was elected Chairman of the Board of Directors effective November 7, 2019. He has been a Director of the Company since June 25, 1998 and appointed as Independent Director

since 2002. His extension of term/retention as the Company's Independent Director was approved by the Board on August 30, 2023 and ratified by the Stockholders on November 8, 2023.

(**) Mr. Jose Raulito E. Paras resigned as member of the Board of Directors effective August 30, 2023.

(***) Mr. Reginald S. Velasco resigned as Independent Director effective July 7, 2023.

(****) Messrs. Carlos Alfonso T. Ocampo and Elmer B. Soriano were appointed as Director and Independent Director, respectively on August 30, 2023. There were 3 meetings held after their appointment.

Below are the ages, citizenship, brief descriptions of business experience for the past five (5) years of below named incumbent directors. None of the Directors of the Company are government employees.

DIRECTORS REPRESENTING HOLDERS OF CONVERTIBLE PREFERRED CLASS A AND COMMON CLASS A STOCKS OF THE COMPANY:

MARIA REMEDIOS R. POMPIDOU, Director

Ms. Maria Remedios R. Pompidou, Filipino, 57 years old, first became a Director of the Company by appointment on October 25, 2000 and holds over as a director since then. She is currently the Chairman of BenguetCorp Laboratories, Inc., a wholly owned subsidiary of the Company (2013 to present); Trustee of Doña Remedios Trinidad Romualdez Medical Foundation Inc., Dr. V. Orestes Romualdez (DVOR) Educational Foundation Inc., and RTR Foundation for Scientific Research and Development Inc.; and Director of Sequioa Business Management Corporation, Perea Realty and Development Corporation and Red Palmtree Realty and Development Corporation. She is Rockefeller University Council Member and Cornell Weill Medical School Dean's Council Member.

LUIS JUAN L. VIRATA, Director

Mr. Luis Juan L. Virata, Filipino, 70 years old, first became a Director of the Company by appointment on August 8, 1995 and holds over as a director since then. He is Chairman and major shareholder of Amber Kinetics Philippines, Inc. Mr. Virata is also Chairman Emeritus of Exchange Equity Partners Group Corporation, Chairman of Cavitex Holdings, Inc., Chairman of MTV Investment Properties Holdings Corporation and Vice President of Exchange Properties Resources Corporation. He is also a Founder and Trustee of Asia Society Philippine Foundation and the Metropolitan Museum of Manila and is a Board Member of the Huntsman Foundation Wharton School University of Pennsylvania. He previously held positions with Dillon, Read and Co., Crocker National Bank, Bankers Trust Company, Philippine Airlines, the Philippine Stock Exchange and Makati Stock Exchange. He received his Bachelor of Arts and Master of Arts degrees in Economics from Trinity College, Cambridge University, UK in 1976 and his Master of Business Administration degree from the Wharton School, USA in 1979.

ANDREW PATRICK R. CASIÑO, Director
Member of the Audit Committee

Atty. Andrew Patrick R. Casiño, Filipino, 57 years old, first became a Director of the Company by appointment on June 4, 2020 and holds over as a director since then. He is a litigation lawyer with 25-year work experience as practicing lawyer in New York State in the fields of: - Criminal matters (domestic violence, DWI, orders of protection, misdemeanors), Commercial litigation, Philippine law matters (counselling and review of legal documents), Real estate (sale and purchase), Family and domestic matters (custody, child support, orders of protection, spousal support), Probate of last will and testaments, Petitions for administration of estates, Family based immigration, Employment based Immigration, US naturalization, Deportation proceedings, Petitions for political asylum, Loan contracts, Employment contracts, Commercial & Residential leases, Settlement agreements, Loan disputes, Trademarks and copyrights, Divorce and legal separation. Presently, he is collaborator on all legal matters in the United States of Philippine based law firms, Florello R. Jose and Associates and Law Firm of Ocampo Manalo. He graduated from the University of the Philippines with a degree of Bachelor of Science in Economics in 1987 and Bachelor of Laws in 1991. He obtained his Masters of Laws in Intellectual Property from the Franklin Pierce Law

School, University of New Hampshire in 1999. Mr. Casiño passed the Philippine Bar Examinations in 1991 and New York State Bar Examinations in 1996.

ANTHONY M. TE, Director
Chairman of the Executive Committee and Salary and Stock Option Committee;
Member of the Nominations and Election Committee

Mr. Anthony M. Te, Filipino, 54 years old, first became a Director of the Company by appointment on September 25, 2020 and holds over as director since then. He is currently a Director of *listed companies* Marcventures Holdings, Inc. and Philippine Stock Exchange, Inc.; Member of Capital Markets Development Committee (CMDC); Director of Marcventures Mining & Development Corporation; Chairman of the Board of Asian Appraisal Company, Inc., Amalgamated Project Management Services, Inc., Asian Asset Insurance Brokerage Corporation and AE Protiena Industries Corporation. He serves as Chairman and Chief Finance Officer of Mactel Corporation, and as Director and Treasurer for Manila Standard Today Management, Inc. Mr. Te is a licensed soliciting official for Non-Life Insurance with the Philippine Insurance Commission. He previously sat as Director in the following companies: AG Finance, Inc., Balabac Resources & Holdings Company Inc., Commonwealth Savings & Loans Bank, EBECOM Holdings, Inc., Equitable PCI BANK, MRC Allied Industries, Inc., Oriental Petroleum & Minerals Corporation, PAL Holdings, Inc., PGA Cars, Inc., and Phoenix Energy Corporation. Mr. Te graduated from De La Salle University with a degree of Bachelor of Arts in Business Management.

CARLOS ALFONSO T. OCAMPO, Director
Member of the Board Risk Oversight Committee and the Related Party Transactions Committee

Atty. Ocampo, Filipino, 58 years old, first became a Director of the Company by appointment on August 30, 2023. He is the Founding Partner of Ocampo & Manalo Law Firm which was established in 1997. He is currently a board member of publicly-listed companies EEI Corporation and Marcventures Holdings Inc. as Director and Independent Director, respectively. He is a member of the Board of other corporations including MAA General Assurance Corporation, BlueLion Motors Corporation, Jam Transit, Inc., Prestige Cars, Autohaus Corporation, Subic Air, Inc., Brycl Resorts International Inc., Autohaus Quezon City, Inc., Jam Liner, Inc. He is the Corporate Secretary of Manila Golf & Country Club, MAA General Assurance Corporation, Skytowers Infra, Inc., among others. He previously served as Vice President and General Counsel of Air Philippines and Senior Consultant of Capital Equity Legal Group. He obtained his Bachelor of Laws from the University of the Philippines and completed an Executive Management Program at the Asian Institute of the Philippines and earned a Certificate in International Finance from Harvard Law School at Harvard University, Executive Education as well as a Certificate in Economic Development from the John F. Kennedy School of Government at Harvard University, Executive Education.

RHODORA L. DAPULA, Independent Director
Chairman of the Audit Committee and Member of the Corporate Governance Committee

Atty. Rhodora L. Dapula, Filipino, 46 years old, first became Independent Director of the Company by appointment on August 16, 2018 and holds over as independent director since then. She is currently an Independent Director of *listed company* Bright Kindle Resources and Investments, Inc. She is a partner in Dapula, Dapula and Associates Law Offices since August 2007; and President/CEO of G.D. Brains and Castles Inc., and Proficientlink Realty Corporation since 2017 and a Board of Director of Right Synergy Holdings, Inc. since May 2023. She is a CPA-Lawyer, Professional Regulation Commission (PRC) Licensed Real Estate Broker, PRC Licensed Real Estate Appraiser, PRC Licensed Real Estate Consultant, PRC Licensed Environmental Planner and Licensed Life and Variable Life Financial Advisor. She is a PRC accredited lecturer for Real Estate Service Seminars and Trainings and a Certified International Property Specialist.

ELMER B. SERRANO, Independent Director
Chairman of the Board Risk Oversight Committee, Member of the Corporate Governance Committee, and Member of the Related Party Transactions Committee

Atty. Serrano, Filipino, 56 years old, was appointed as an Independent Director of the Company on August 30, 2023. He is a practicing lawyer specializing in corporate law and is the Managing Partner and founder of the law firm SERRANO LAW. Atty. Serrano has been awarded "Asia Best Lawyer" by the International Financial Law Review (IFLR), "Leading Lawyer-Highly Regarded" by IFLR 1000, and named "Leading Individual" by the Legal 500 Asia Pacific.

Atty. Serrano is the Chairman of Dominion Holdings, Inc. (formerly BDO Leasing and Fnance, Inc.), a director of DFNN Inc., and Independent Director of Philippine Telegraph and Telephone Corporation and Benguet Corporation. He is also a director of 2GO Group, Inc. He is also the Corporate Information Officer of BDO Unibank, Inc. and serves as the corporate secretary of bank's subsidiaries and affiliates.

Atty. Serrano is also the Corporate Secretary of SM Investments Corporation, SM Prime Holdings, Inc., Premium Leisure Corporation, Atlas Consolidated Mining and Development Corporation, as well as subsidiaries of BDO Unibank, Inc., and of DFNN Inc. He is also Corporate Secretary of, or counsel to, prominent financial industry organizations, such as the Bankers Association of the Philippines, the Philippines Payments Management, Inc. and the PDS Group of Companies.

Atty. Serrano is a Certified Associate Treasury Professional and was among the top graduates of the Trust Institute of the Philippines in 2001. He holds a Juris Doctor degree from the Ateneo de Manila University and a BS Legal Management degree from the same university.

REPRESENTING HOLDERS OF COMMON CLASS B STOCK OF THE COMPANY:

BERNARDO M. VILLEGAS, Chairman of the Board / Independent Director,
Chairman of the Nominations and Election Committee, Corporate Governance Committee and Related Party Transactions Committee; Member of the Executive Committee, Salary and Stock Option Committee, Audit Committee and Board Risk Oversight Committee

Mr. Bernardo M. Villegas, Filipino, 85 years old, has been the Chairman of the Board since November 7, 2019. He first became a Director of the Company by appointment on June 25, 1998. He was designated Independent Director of the Company since 2002 up to present, although he has been a Director prior to the issuance of SEC Circular No. 16 dated November 28, 2002. He is currently Chairman and Independent Director of *listed company*, Filipino Fund, Inc and Independent Director of *listed companies*, First Metro Philippine Equity Exchange Traded Fund, Inc. and DMCI Holdings, Inc.. He holds, among others, the following directorships/positions: Independent Director of Benguetcorp Resources Management Corporation (2012 to present), a wholly owned subsidiary of the Company; Director and Consultant of Transnational Diversified, Inc. (1998 to present); Director, PHINMA Properties (2011 to present); Director, Dualtech Foundation (1998 to present); and Columnist, Manila Bulletin (1964 to present). Formerly, he was Director of Alaska Milk Corporation (1999-2019); Director, Makati Business Club (1981-2010); Director, Phinma Foundation (1995-2001); Director, Pilipinas Shell Foundation (1995-2001); Senior Vice President, University of Asia and the Pacific (2004-2006); Chairman, Center for Research and Communication (1995); President, Philippine Economic Society (1972-1974); Chairman, Department of Economics-De La Salle University Manila (1964-1969), Committee on the National Economy & Patrimony (1986); Director, Economic Research Bureau and Graduate School of Business-De La Salle University Manila (1967-1968); Project Director, Philippine Economic History under the National Historical Commission (1969-1972); Member, Preparatory Commission for Constitutional Reforms and Constitutional Commission (1999); Consultant, Productivity Development Center-National Economic Council and Program Implementation

Agency (1968-1969). He earned his Ph.D. in Economics from Harvard University and obtained his Bachelor's degrees in Commerce and Humanities (both Summa Cum Laude) from De La Salle University.

KWOK YAM IAN CHAN, Director
Member of Executive Committee

Mr. Kwok Yam Ian Chan, Filipino, 36 years old, first became a Director of the Company by appointment on September 25, 2020 and holds over as director since then. He is currently an Independent Director of *listed companies* Marcventures Holdings, Inc. and Bright Kindle Resources and Investments, Inc. He is a Managing Director of Zenith System and Heavy Equipment, Seaborne Shipping Inc., Isky Empire Realty Inc., King Dragon Realty Corporation, Armstrong Securities, Inc. and DK Ventures Inc. Mr. Chan graduated from De La Salle- College of St. Benilde with a Bachelor of Science degree in Business Administration major in Export Management. He obtained his master's degree in Economics, major in Finance at California Polytechnic University.

LINA G. FERNANDEZ, Director
Member of Executive Committee and Related Party Transactions Committee

Atty. Fernandez, Filipino, 59 years old, first became a Director of the Company by appointment on March 18, 2021. She was elected as President of the Company since March 18, 2021. Before her election/appointment, Atty. Fernandez served as one of the designated Officers-In-Charge of the Company (October 2018-Mar 2021), and concurrently Senior Vice President for Finance and Comptroller since March 2018-March 2021. Atty. Fernandez previously served the Company as its Senior Vice President for Finance and Nickel Marketing Officer (November 2015-March 2018); Vice President for Corporate Planning; Chief of Staff (August 2006-November 2015); Risk Management Officer (March 2011-March 2018) and Compliance Officer for Corporate Governance (December 2016-March 2018). She also holds several positions and directorship in the following subsidiaries of the Company: President (2021 to present) and Director (2014-Present) of Benguetcorp Resources Management Corporation (formerly Benguetcorp Nickel Mines, Inc.); Chairman of Arrow Freight Corporation, Benguetcorp Construction and Development Corporation (Formerly Batong Buhay Mineral Resources Corporation), BC Property Management, Inc., Berec Land Resources, Inc., Balatoc Gold Resources Corporation, Benguet Pantukan Gold Corporation and Keystone Port Logistics and Management Services Corporation; Chairman and President of Benguet Management Corporation and BMC Forestry Corporation; Director and President of Ifaratoc Mineral Resources Corporation, Director, President and Chief Operating Officer of Pillars of Exemplary Consultants, Inc.; Director and Vice President of Acupan Gold Mines, Inc., and Sagittarius Alpha Realty Corporation; Director and Treasurer of Agua de Oro Ventures Corporation, and Benguetrade, Inc. and Director of Benguet Laboratories, Inc. She is a CPA-lawyer.

ANDREW JULIAN K. ROMUALDEZ, Director
Member of Executive Committee, Salary and Stock Option Committee
and Nominations and Election Committee

Mr. Romualdez, Filipino, 24 years old, first became a Director of the Company by appointment on August 24, 2022. He is currently a Director of *listed companies* Marcventures Holdings, Inc. (MHI) and Bright Kindle Resources and Investments, Inc. (BKR). He is also a director of the Company's subsidiaries, Benguetcorp Resources Management Corporation, Arrow Freight and Construction Corporation, Benguetcorp Laboratories, Inc. and Benguet Management Corporation. He is also a Director of MHI's subsidiaries namely: Marcventures Mining and Development Corporation, Alumina Mining Phils., Inc. Bauxite Resources, Inc. and Brightgreen Resources Corporation. He is also a director of BKR's subsidiary, Brightstar Holdings and Development, Inc. He is a Director of Armstrong Securities, Inc. and Armstrong Capital Holdings, Inc. Mr. Romualdez graduated from Cornell University in 2022 with a Bachelor's Degree in International Agriculture and Rural

Development.

B. EXECUTIVE OFFICERS

The executive officers of the Company are appointed or elected annually to a one-year term (subject to removal) by the Board of Directors immediately following the Annual Stockholders' Meeting.

Below are their respective ages, citizenships, positions held in the Company and its subsidiaries and brief description of business experiences. None of the executive officers of the Company are government employees.

LINA G. FERNANDEZ, Filipino, 59 years old, is the President of the Company since March 18, 2021.

REYNALDO P. MENDOZA, Filipino, 66 years old, is the Executive Vice President since March 18, 2021 and Assistant Corporate Secretary (2002 to present). He previously served as one of the two Officers-In-Charge of the Company (October 2018 to March 2021) and concurrently Senior Vice President for Legal (August 2006 to March 2021). Currently, he holds various positions and directorship in the following subsidiaries of the Company: He is concurrent Chairman and President of Acupan Gold Mines, Inc. and Sagittarius Alpha Realty Corporation; Chairman of BenguetCorp Resources Management Corporation, Agua de Oro Ventures, Inc., Ifaratoc Mineral Resources Corp., Benguetrade, Inc. and Pillars of Exemplary Consultants, Inc.; Director and President of Benguetcorp Construction and Development Corporation (Formerly Batong Buhay Mineral Resources Corporation), Benguet Pantukan Gold Corporation, Berec Land Resources, Inc., Balatoc Gold Resources Corporation, and BC Property Management, Inc.; Director of BenguetCorp Laboratories, Inc., and BMC Forestry Corporation; Director and Chief Operating Officer of Benguet Management Corporation; Director and Vice President-Legal of Arrow Freight and Construction Corporation and Director and Vice President of Keystone Port Logistics and Management Services Corporation. Before joining Benguet Corporation, he was Staff Lawyer of PDCP (1987-1988) and Malayan Insurance Company (1986-1987); Associate Lawyer, Castro, Villamor & Associate (1985-1986); Legal Assistant/Apprentice Lawyer, Gono Law Office (1985-1986). He obtained his Bachelor of Law degree from the University of the Philippines in 1984 and passed the bar examination in the same year.

MAX D. ARCEÑO, Filipino, 62 years old, is the Senior Vice President for Finance and Treasurer of the Company since March 18, 2021. He was also designated as Compliance Officer for Corporate Governance since August 24, 2021. He previously served as its Vice President for Finance and Treasurer (November 2019-March 2021):Vice President for Finance, Treasurer, Taxation/Materials (March 2018-November 2019); Vice President for Accounting and Treasurer (March 2013-March 2018) and Assistant Vice President for Treasury (July 2011-February 2013). He also holds various positions in the following subsidiaries of the Company: he is concurrent Director and Treasurer of BenguetCorp Laboratories, Inc. (Feb. 2013 to present); Director, President and General Manager of Arrow Freight Corporation and Benguetrade, Inc.; Director and President of Keystone Port Logistics and Management Services Corporation, Director and Treasurer of BenguetCorp Resources Management Corporation, Benguet Management Corporation, BMC Forestry Corporation, Berec Land Resources, Inc., BC Property Management, Inc., Balatoc Gold Resources Corporation, Benguet Pantukan Gold Corporation, Benguetcorp Construction and Development Corporation (Formerly Batong Buhay Mineral Resources Corporation), Acupan Gold Mines, Inc., Sagittarius Alpha Realty Corporation, Ifaratoc Mineral Resources Corporation and Pillars and Exemplary, Inc.; and Director of Agua de Oro Ventures, Inc. Mr. Arceño graduated from the University of the East (Batch 1983) with a degree in BSBA-Accounting and passed the board examination for Certified Public Accountant in 1984. He joined the Company in 1985 as Accounting Staff I, where he rose from the ranks.

VALERIANO B. BONGALOS, JR., Filipino, 74 years old, is the Vice President/Resident Manager of Benguet District Operations since January 15, 2020. He also holds positions in in the following subsidiaries of the Company: Director and President of Agua de Oro Ventures Corporation and Director of Acupan Gold Mines, Inc., Balatoc Gold Resources Corporation, Benguetcorp Construction and Development Corporation (Formerly Batong Buhay Mineral Resources Corporation), BC Property Management, Inc. Berec Land Resources, Inc., Benguet Management Corporation, BMC Forestry Corporation, Benguet Pantukan Gold Corporation, Ifaratoc Mineral Resources Corporation, Pillars of Exemplary Consultants, Inc. and Sagittarius Alpha Realty Corporation. He previously served the Company as its Consultant (May 2018-January 14, 2020); Vice President & General Manager of Benguet District Operations (July 2013-Sept 2015), and Mine Manager of Benguet Gold Operation, Antamok Northern Division (1978-1980) and in 1984-1992. He was a Mine Manager, Lepanto Consolidated Mining Co., Lepanto, Mankayan, Benguet (2016-2017). He was Vice President for Operations and Resident Manager, Apex Mining Co., Compostella Valley, Mindanao. Inc. (May 2010-July 2011); Mine Manager, Phuoc Son Gold Company, Ltd., Quang Nam, Vietnam (November 2006-July 2009); Mine Planning Manager, Ban Phuc Nickel Mines in Hanoi, Vietnam (March to June 2006); Mine Superintendent, Lepanto Consolidated Mining Company (1999-2001); Tunnel Superintendent, San Roque Multipurpose Dam (1998); Mine Manager, Base Metal Mineral Res. Corp. (1996-1997) Davao Del Norte; Project Manager, Ground Specialist, Inc.-Contractor (1994-1995) Lepanto Mine, Mankayan; Drilling & Blasting Engineer of Al Dhary International Group in Tabuk, Saudi Arabia (1993-1994); Senior Assistant Mining Engineer, Zambia Consolidated Copper Mines (Underground Copper Mine) in Zambia, Africa (1980-1983); Project Engineer, Argonaut Mineral Exploration (1975-1978); and Shift Foreman, Long Beach Mining Corporation (1974). He is a BS Mining Engineering graduate of Mapua Institute of Technology (1973) and completed his Management Development Program at AIM in 1987. He obtained his Mining Engineering license in 1974.

PAMELA M. GENDRANO, Filipino, 57 years old, is the Assistant Vice President for Environmental Compliance since November 6, 2019. She was also appointed as Chief Risk Officer since November 11, 2020. Formerly, she was AVP for Environmental Compliance-BNMI (Feb. 20, 2012-Nov. 6, 2019). She is currently Director of Agua De Oro Ventures Corporation and Balatoc Gold Resources Corporation. Ms. Gendrano is a Masteral Degree holder of Environmental Studies and Community Development from the University of the Philippines at Los Baños where she gained it in 1992 and a Bachelor's Degree in Forestry from the same university in 1988. Her previous work experiences include: Freelance Environment Consultant (2008-2011); Technical Operations Manager/Senior Environment Management Specialist (GEOSPHERE Technologies, Inc., (2005-2008); Technical Operations Manager (Geographic Management Services Company (2002-2004); Senior Project Officer (BOI, JICA Study in Environmental Management with Public and Private Ownership (2002); Environment Management Specialist (Tetra Tech. Environmental Management, Inc. (1999-2001); EIA/IEE Consultant (1999); Project/Program Evaluator, Philippine-Canada Development Fund (1999); Section Chief, Strategic Coordination and Special Projects Section, DENR/EMB (1994-1999); Project Officer, Institute of Environment Science and Management-CIDA/Research Associate, UPLB-College of Forestry-JICA (1991-1995); Research Forester, DENR-Policy Planning Division (1987). Ms. Gendrano is also one of the seven (7) Filipinos accredited by the Environmental Protection Agency (EPA) of the United States of America to undertake Environmental Compliance Monitoring and Enforcement Trainings and an accredited Environmental Impact Assessment Study Preparer by the DENR-Environmental Management Bureau (EMB).

EMMANUEL M. PUSPOS, Filipino, 61 years old, is the Assistant Vice President for Mining and Business Development following his promotion on August 30, 2023. Before his promotion, he was the Company's Chief Mining Engineer (April 2022 – August 2023). He previously served the Company as Senior Mining Engineer – Corporate Engineering Head (June 2008 to May 2011) and Company's subsidiary, Benguetcorp Resources Management Corporation as Assistant Vice President – Head of Operations/Engineering (June 2011 to August 2014). He was formerly the Mine Manager, OIC-Mine and Port Operations (April 2016 to July 2019) of Agata Mining Ventures, Inc. and Chief Mining Engineer of TVI Resource Development (Philippines) Inc. (January 2015 to April 2016). He obtained his Bachelor's degree in Mining Engineering from Mapua Institute of Technology. He is a licensed Mining Engineer.

DEOGRACIAS P. HALOG, Filipino, 70 years old, is the Assistant Vice President for Technical Operations since March 22, 2024. He is a licensed Mechanical Engineer. He started his mining career in the Company in 1977 and was involved in various operations and projects such as Benguet Gold Operations (BGO), Benguet Antamok Gold Operations (BAGO) and Benguet Canada Ltd. – Ecuador Project. He left in 1990 to seek opportunity to work abroad and joined local construction and mining companies, to name a few: Apex Mining Co. Inc., Paramina Earth Technologies, Inc., Besra Vietnam, Peti Trading Inc., Lepanto Consolidated Mining Company and TVIRD-BGSP. He earned his Bachelor of Science degree in Mechanical Engineering from Mapua Institute of Technology in 1976. He attended course in Management at the Asian Institute of Management (AIM) in 1987 and Entrepreneurship at University of the Philippines-Diliman in 1996.

HERMOGENE H. REAL, Filipino, 68 years old, is the Corporate Secretary of the Company since October 25, 2000. She is currently Director of publicly-listed Companies: (i) Bright Kindle Resources and Investment, Inc., where she is also Assistant Corporate Secretary (2014 to present) and (ii) Prime Media Holdings, Inc. (2021 to present). She is also Director of Arrow Freight and Construction Corporation (2019 to present); Director of Benguetcorp Laboratories, Inc.(2019 to present); Director of Southern Alluvial Minerals and Alumina Resources Inc. (2017 to present); Director of Brightgreen Resources Holding, Inc. (2017 to present); Director of Strong Mighty Steel, Inc. (2017 to present); Director/President of Mairete Asset Holdings, Inc. (2017 to present); Director of Crimson Bauxite Mining Development Corp. (2018 to present); Director of High Reliance Holdings Company, Inc. (2021 to present); Director/Treasurer of Golden Peregrine Holdings, Inc. (January 2022 to present); and Director of Bright Star Holdings and Development, Inc. (March 2022 to present). She is also Corporate Secretary of Benguetcorp Resources Management Corporation (2014 to present), Corporate Secretary of Universal Re Condominium Corporation; Trustee and Assistant Corporate Secretary, Doña Remedios Trinidad Romualdez Medical Foundation, Inc. (1996 to present); and Practicing Lawyer, D. S. Tantuico and Associates (1998 to present).

Resignation of Directors

1. Resignation of Mr. Reginald S. Velasco as Independent Director of the Company, member of Salary and Stock Option, Corporate Governance and Related Party Transactions Committees, and Chairman of the Board Risk Oversight Committee effective July 7, 2023, as approved by the Board of Directors on August 30, 2023.

2. Resignation of Mr. Jose Raulito E. Paras as member of the Company's Board of Directors, Board Risk Oversight Committee and Related Party Transactions Committees effective August 30, 2023.

Significant Employees

Other than the executive officers, other employees are expected by the Company to make significant contribution to the business.

Family Relationship

Except with respect to Mr. Andrew Julian K. Romualdez who is nephew of Ms. Maria Remedios R. Pompidou, no other directors or executive officers is related to another by affinity or consanguinity.

Involvement in Certain Legal Proceedings

The Company is not aware of any bankruptcy proceeding against any of its directors and officers during the past five (5) years. Neither is the Company aware of any conviction by final judgment in any criminal proceeding, or the involvement, of any of its directors or officers, in any case where such officer or director has been subject to any order, judgment or decree of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting his involvement in any type of business, including those connected with securities trading, investments, insurance or banking activities.

ITEM 10. EXECUTIVE COMPENSATION

Summary Compensation Table

The aggregate compensation paid or incurred during the last two fiscal years and estimated to be paid in the ensuing fiscal year to the President, four most highly compensated executive officers and all other directors and officers of the Company as a group are as follows:

	Name	Principal Position
1.	Lina G. Fernandez	President
2.	Reynaldo P. Mendoza	Executive Vice President and Asst. Corporate Secretary
3.	Max D. Arceño	Senior Vice President, Finance & Treasurer
4.	Valeriano B. Bongalos, Jr.	Vice President/Resident Manager-Benguet District Operation
5.	Pamela M. Gendrano	Asst. Vice President, Environmental Compliance

	Year	Salary (In-Million)	Bonus (In-Million)	Other Annual Compensation
All above-named officers as a group	2024*	₱31.4	₱3.8	₱1.7
	2023**	29.6	3.6	1.7
	2022**	28.8	4.8	1.6
	2021**	13.4	2.3	0.8
All other directors and officers as a group unnamed	2024*	₱10.8	₱5.3	₱2.0
	2023**	10.5	5.0	2.0
	2022**	9.9	7.9	2.3
	2021**	5.6	0.9	1.3

(*) - Estimate (**) – Actual

Employment Contract with Executive Officers

The Company has no special employment contracts with its executive officers. In the ordinary course of business, the Company has employment contracts with all its employees, including officers, in compliance with the applicable labor laws and regulations. There are no compensatory plan or arrangements with any executive officers, which results or will result from the resignation, retirement or any other termination of the executive officer's employment or from a change-in-control in the Company or a change in the executive officer's responsibilities following a change in control of the Company.

Compensation of Directors

The non-executive directors of the Company do not receive any regular compensation from the Company, except for every regular, special or committee meeting actually attended, for which members of the Board of Directors receive a per diem of ₱25,000.00 (gross). For the year 2023 and 2022, the directors received Christmas gift in appreciation of their invaluable service and support to the Company. There are no other material terms of, nor any other arrangements with regard to compensation as to which directors are compensated, or are to be compensated, directly or indirectly, for any services provided as a director.

Retirement Plan

The Company maintained a qualified, noncontributory trusted pension plan covering substantially all of its executive officers and employees. Normal retirement age under the plan is age 60, except for non-supervisory underground mine workers who have the option to retire at age 55. An employee shall also be entitled to a benefit equal to 50% of his monthly basic salary or the normal benefit, whichever is higher, if his employment is terminated for reasons beyond his control, such as death, disability or government policy. Benefits are dependent on the years of service and the respective employee's compensation.

Incentive Bonus Plan
The Company has an Incentive Bonus Plan of the Company. The purposes of the Plan are: (1) to attract, employ and retain management personnel of outstanding competence, and (2) to motivate its management personnel to deliver superior performance in pursuing the goals and business interests of the Company. The Plan provides for a bonus award, calculated on the basis of net income, to top operating executives, managers and members of the Board of Director. Bonus awards are either paid in full directly to the awardees or are transferred to a trust fund and are payable to the awardees in three installments generally over a period of two years. Bonus awards for any year shall be paid in cash, or in common stock. Either Common Class A or Common Class B shares may be issued under the Plan subject to the legal limitations on ownership of Common Class A shares which can be owned only by Philippine citizens. From 1995 to 2023, there was no amount set aside for payment of bonuses in accordance with the Plan.

Warrants and Options Outstanding
Since 1975, the Company provided Stock Option Plan (the "Plan") for its and subsidiaries' selected staff employees, directors and consultants. The purpose in granting options are: (1) to encourage stock ownership in the Company, and thereby generate an interest in the Company and its subsidiaries, (2) to promote its affairs, and (3) to encourage its staff employees, directors and consultants to remain in the employ of the Company. The Plan have been amended several times and among others, to extend the termination date of granting stock options. The latest amendment was approved by the Board of Directors on August 24, 2022 and ratified by the stockholders of the Company during the November 9, 2022 annual stockholders' meeting, extending the termination date of granting stock options under the Plan until May 31, 2031.

The following changes in the stock option grants was approved by the Board in its meeting held on August 31, 2016 and ratified by the stockholders during the November 8, 2018 Annual Stockholders' Meeting due to change in par value of both Class A and B common shares from ₱3.00 to ₱1.00 per share: (a.) Change in the total number of unexercised shares on the May 3, 2011, September 7, 2012 and May 28, 2014 grants and corresponding change in the exercise price; (b.) Change in the maximum number of shares per grant: from 500,000 to 1,500,000 shares; and (c.) Repricing of the unexercised options in the May 3, 2011, September 7, 2012 and May 28, 2014 grants. The exercised price (net of 25% discount) is ₱1.69 per share for Common Class "A" and ₱1.91 per share for Common Class "B". (The exercised price is based on closing price of August 18, 2016: Common Class A – ₱2.25 and Common Class B – ₱2.55 less 25% discount pursuant to the provisions of the Plan of the Company). The repricing was brought about by the low turn-out in the availment of the grant due to high exercise price compared to market price.

In the current implementation of the Company's Plan, as of December 31, 2023, the following stock options are still valid from the date of the grant:

a. On May 28, 2014, under the amended Plan, the Company granted stock option to certain directors in recognition of their long years of service to the Company. The option grants of 600,000 common shares with Par Value of ₱3.00 per share consisting of 360,000 class "A" common shares at an exercise price of ₱7.13 per share and 240,000 class "B" common shares an exercise price of ₱7.13 per share came entirely from the current balance of unissued / cancelled stock options under the present implementation of the Plan. Due to change in par value of both Class A and B shares from ₱3.00 to ₱1.00 per share and change of exercise prices from ₱7.13 to ₱1.69 per share for Class "A" and ₱7.13 to ₱1.91 per share, the total number of unexercised shares were adjusted to 1,800,000 common shares consisting of 1,080,000 class "A" shares and 720,000 class "B" shares. As of December 31, 2023, the number of options granted to, exercised, and unexercised by the President, four (4) other most highly compensated executive officers and all other officers and directors of the Company under this grant are as follows:

	Option Grants		Option Exercise Price/Share		Options Exercised		Options Unexercised		Options Cancelled (Cessation from employment / directorship)	
	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B
LG Fernandez	-	-	-	-	-	-	-	-	-	-
Four Highest Paid Named Exec. Officers:										
RP Mendoza	-	-	-	-	-	-	-	-	-	-
MD Arceño	-	-	-	-	-	-	-	-	-	-
VB Bongalos, jr.	-	-	-	-	-	-	-	-	-	-
PM Gendrano	-	-	-	-	-	-	-	-	-	-
All Other Officers and Directors as a Group Unnamed	648,000	432,000	₱1.69	₱1.91	-	-	648,000	432,000	-	-

Under the amended Plan, options are non-transferable and 100% exercisable. Options are exercisable to the extent of 30% after one year from the grant, 60% after two years from the grant, and 100% after three years from the grant. Shares included in each installment may be exercised in whole at any time, or in part from time to time, until the expiration of the option. No option is exercisable after ten years from the date of the grant. Payment may be made in full and in cash or installment over three years, at the time of the exercise of the option, provided that the stock certificate shall be issued only upon full payment of the option price.

b. On March 17, 2017, under the amended Plan, the Company granted stock option to directors and to qualified staff, employees, and consultants of the Company and its subsidiaries who have rendered at least two (2) years of service as of March 11, 2017. The options grant of 8,414,375 common shares were sourced from the cancelled, expired and forfeited shares from previous stock option grants consisting of 5,048,625 Common Class A shares at exercise price of ₱1.38 per share and 3,365,750 Common Class B shares at exercise price of ₱1.43 per share. The shares are exempted from registration under SEC's MSRD Resolution No. 5 Series 2020 dated February 28, 2020 and the listing was also approved in principle by the PSE in its Notice of Approval dated March 4, 2021. As of December 31, 2023, the number of options granted to, exercised, and unexercised by the President, four (4) other most highly compensated executive officers and all other officers and directors of the Company under this grant are as follows:

	Option Grants		Option Exercise Price/Share		Options Exercised		Options Unexercised		Options Cancelled (Cessation from employment / directorship)	
	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B
LG Fernandez	138,600	92,400	P1.38	P1.43	138,600	92,400	-	-	-	-
Four Highest Paid Named Exec. Officers:										
RP Mendoza	138,600	92,400	P1.38	P1.43	138,600	92,400	-	-	-	-
MD Arceño	127,050	84,700	P1.38	P1.43	127,050	84,700	-	-	-	-
VB Bongalos, jr.	-	-	-	-	-	-	-	-	-	-
PM Gendrano	66,000	44,000	P1.38 -	P1.43	66,000	44,000	-	-	-	-
All Other Officers and Directors as a Group Unnamed	462,000	308,000	₱1.38	₱1.43	115,500	77,000	346,500	231,000	-	-

Under the Plan, options are exercisable to the extent of 30% after one year from the grant, 60% after two years from the grant, and 100% after three years from the grant. Shares included in each installment may be exercised in whole at any time, or in part from time to time, until the expiration of the option. Payment may be made in full and in cash or installment over three years, at the time of the exercise of the option, provided that the stock certificate shall be issued only upon full payment of the option price. Options are non-transferable and no option is exercisable after ten (10) years from the date of the grant.

c. On March 18, 2021, under the amended Plan, the Company granted stock option to directors, qualified staff, employees, and consultants of the Company and its subsidiaries who have rendered at least two (2) years of service as of March 15, 2021. The option grant of 3,003,612 common shares were sourced entirely from the current balance of unissued / cancelled stock option under the present implementation of the Plan consisting of 1,802,167 Common Class A shares at exercise price of ₱2.19 per share and 1,201,445 Common Class B shares at exercise price of ₱2.05 per share.

As of December 31, 2023, the number of options granted to, exercised and unexercised by the President, four (4) other most highly compensated executive officers and all other officers and directors of the Company are as follows:

	Option Grants		Option Exercise Price/Share		Options Exercised		Options Unexercised		Options Cancelled (Cessation from employment / directorship)	
	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B
LG Fernandez	57,750	38,500	P2.19	P2.05	-	-	57,750	38,500	-	-
Four Highest Paid Named Exec. Officers:										
RP Mendoza	57,750	38,500	₱2.19	₱2.05	-	-	57,750	38,500	-	-
MD Arceño	43,313	28,875	₱2.19	₱2.05	-	-	43,313	28,875	-	-
VB Bongalos, jr.	24,750	16,500	₱2.19	₱2.05	-	-	24,750	16,500	-	-
PM Gendrano	39,375	26,250	₱2.19 -	₱2.05	-	-	39,375	26,250	-	-
All Other Officers and Directors as a Group Unnamed	472,500	315,000	₱2.19	₱2.05	-	-	472,500	315,000	-	-

Under the Plan, options are non-transferable and exercisable to the extent of 30% after one year from the grant, 60% after two years from the grant, and 100% after three years from the grant. Shares included in each installment may be exercised in whole at any time, or in part from time to time, until the expiration of the option. Payment may be made in full and in cash or installment over three years, at the time of the exercise of the option, provided that the stock certificate shall be issued only upon full payment of the option price. No option is exercisable after ten (10) years from the date of the grant.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Beneficial Owners

The following table sets forth certain information about persons (or "groups" of persons) known by the Company to be the directly or indirectly the record or beneficial owner of more than five percent (5%) of any class of the Company's outstanding stocks as of April 15, 2024:

Title of	Name, Address of Record Owner	Name of Beneficial Owner &		Number of	Percent

Class	And Relationship with Issuer	Relationship with Record Owner	Citizenship	Shares Held	Per Class
Class A Common	PCD Nominee Corporation (Filipino), 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City. (Stockholder)	(see note[1])	Filipino	190,420,877	50.76%
	Palm Ave. Holding Company, Inc. 3F Universal Re-Building, 106 Paseo de Roxas, Makati City (Stockholder)	(see note[2])	Filipino	65,624,727	17.49%
	Palm Avenue Holdings Company and/ or Palm Avenue Realty Corp., Metro Manila, Phil. Sequestered by the Republic of the Philippines, Presidential Commission on Good Government under Executive Order Nos. 1 & 2 c/o PCGG, IRC Bldg., #82 EDSA, Mandaluyong City. (Stockholder)	(see note[2])	Filipino	63,920,490	17.04%
	Palm Avenue Holdings Company and/or Palm Avenue Realty Corporation, Metro Manila, Philippines. Sequestered by the Republic of the Philippines thru PCGG under E.O. Nos. 1 & 2 and reverted to Palm Avenue as sequestered shares per Supreme Court Entry of Judgment dated March 15, 1993 in G.R. No. 90667 entitled Republic of the Philippines vs. Sandiganbayan, Palm Avenue Realty Development Corp. and Palm Avenue Holdings Company c/o PCGG, IRC Bldg., #82 EDSA Mandaluyong City. (Stockholder)	(see note[2])	Filipino	30,834,375	8.22%
Class A Convertible Preferred	PCD Nominee Corporation (Filipino), 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City. (Stockholder)	(see note[1])	Filipino	65,794	30.31%
	Fairmount Real Estate c/o PCGG 6th Floor, PhilComcen Bldg., Ortigas Avenue cor. San Miguel Avenue, Pasig City (Stockholder)	(see note[3])	Filipino	59,262	27.30%
Class B Common	PCD Nominee Corporation (Filipino), 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City. (Stockholder)	(see note[1])	Filipino	119,223,592	48.06%
	Palm Ave. Realty & Devt. Corporation, 3F Universal Re-Building, 106 Paseo de Roxas, Makati City (Stockholder)	(see note[3])	Filipino	43,680,000	17.61%
	CEDE & CO. (Non-Filipino), P.O. Box 20, Bowling Green Stn., New York, NY 10004	(see note[4])	American	29,674,860	11.96%

[1] *PCD Nominee Corporation ("PCDNC") is a wholly-owned subsidiary of Philippine Central Depository, Inc. ("PCD"). The beneficial owners of such shares registered under the name of PCDNC are PCD's participants who hold the shares in their own behalf or in behalf of their clients. The PCD is prohibited from voting these shares, instead the participants have the power to decide how the PCD shares in Benguet Corporation are to be voted.*

[2] *The Company is not aware of who is/are the direct or indirect beneficial owner/s of the stocks issued to Palm Avenue Holdings Company, Inc. and Palm Avenue Realty and Development Corporation (the "Palm Companies). In the November 8, 2023 Annual Stockholders' Meeting of the Company, the Palm Companies issued a proxy in favor of its legal counsel, Attys. Otilia Dimayuga-Molo/Andrea Rigonan-De La Cueva, to vote in all matters to be taken up in the stockholders' meeting.*

[3] *Sequestered shares which is presently in trust by PCGG and the record owner of which is Fairmount Real Estate. The Company is not aware of who is/are the direct or indirect beneficial owner/s of the stocks issued to Fairmount Real Estate.*

	PCD Nominee Corporation (Non-Filipino) 29th Floor BDO Equitable Tower, 8751 Paseo de Roxas, Makati City	(see note[1])	American	27,938,139	11.26%

Please note that: (a) Palm Avenue Holding Company, Inc. and Palm Avenue Holdings Company are one and the same corporation, and (b) Palm Avenue Realty and Development Corporation and Palm Avenue Realty Corporation are one and the same corporation.

The following are participants under the account of PCD Nominee who hold five percent (5%) or more of any class of the Company's outstanding capital stocks as of April 15, 2024:

Title of Class	Name, Address of Record Owner And Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	Number of Shares Held	Percent Per Class
Class A Common	RYM Business Management Corporation, Universal Re Building, 106 Paseo de Roxas, Makati City (Stockholder)	(see note[4])	Filipino	62,930,820	16.78%
Class B Common		(see note[6])	Filipino	60,108,441	24.23%

Security Ownership of Management

The following table sets forth certain information as of April 15, 2024, as to each class of the Company's securities owned by the Company's directors and officers. The Company is not aware of any indirect beneficial ownership of Directors and Executive Officers of the Company.

Title of Class	Name of Beneficial Owner	Citizenship	Amount and nature of beneficial ownership	Percent Per Class
A	Maria Remedios R. Pompidou	Filipino	15	0.00%
A	Rhodora L. Dapula	Filipino	1	0.00%
A	Carlos Alfonso T. Ocampo	Filipino	1	0.00%
A	Elmer B. Serrano	Filipino	1	0.00%
A	Anthony M. Te	Filipino	115,503	0.03%
B			77,000	0.03%
A	Luis Juan L. Virata	Filipino	234,003	0.06%
B			69,600	0.03%
A	Andrew Patrick R. Casiño	Filipino	3	0.00%
B			3	0.00%
B	Kwok Yam Ian Chan	British	1	0.00%
A	Andrew Julian K. Romualdez	Filipino	1,000	0.00%
B			1,000	0.00%
B	Bernardo M. Villegas	Filipino	3	0.00%
A	Lina G. Fernandez	Filipino	152,166	0.04%
B			108,400	0.03%
A	Reynaldo P. Mendoza	Filipino	126,866	0.03%
A	Max D. Arceño	Filipino	1,533	0.00%
B			84,700	0.03%
A	Pamela M. Gendrano	Filipino	5,638	0.00%
B			13,000	0.00%
A	Emmanuel M. Puspos	Filipino	5,100	0.00%

[4] *The Company is not aware of who is/are the direct or indirect beneficial owner/s of the stocks issued to RYM Business Management Corporation. In the November 8, 2023 Annual Stockholders' Meeting of the Company, the RYM Business Management Corporation issued a proxy in favor of its Chairman and President, Atty. Remegio C. Dayandayan, Jr., and/or its Corporate Secretary, Minda P. De Paz, to vote in all matters to be taken up in the stockholders' meeting.*

A	Deogracias P. Halog	Filipino	225	0.00%
A	Hermogene H. Real	Filipino	240,600	0.06%
B			125,300	0.05%

As a Group

Class A Convertible Preferred	Filipino	59,262 shares[5]	27.30%
Class A Common	Filipino	224,193,067 shares[6]	59.77%
Class B Common	Filipino	104,267,448 shares[7]	42.03%

Voting Trust Holders of 5% or More
There are no voting trust holders of 5% or more of the Company's stock.

Changes in Control of the Registrant
There had been no changes in control of the Company that had occurred since the beginning of the last fiscal year. Furthermore, management is not aware of any arrangement, which may result changes in control of the Company.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

a) There are no transactions or proposed transactions during the last two years in which the registrant or any director or executive officer, any nominee for election as director, any security holder or member of their immediate families, is a party nor had a direct or indirect material interest. None of the directors, officers or affiliates of the Company, or beneficial owner of more than 10% of any class of voting securities of the Company, or any associate of any such director or security holder, or any of its subsidiaries, had a transaction with the Company or any of its subsidiaries nor had a direct or indirect material interest.
b) There were no transactions with promoters since the Company was organized far beyond the five (5) year period requirement.
c) The Company has no parent company.
d) Intercompany transactions are eliminated in the consolidated financial statements. Items eliminated are separately disclosed in a schedule in accordance with Philippine SEC requirements under SRC Rule 68, as Amended (2011). Information regarding related party disclosure is discussed and presented on Note 28 – Related Party Disclosures of the Notes to 2023 Audited Consolidated Financial Statements of the Company.

[5] *Include 59,262 Convertible Preferred Class A shares, the record owner of which is Fairmount Real Estate which is presently in trust by PCGG. In the past stockholders' meetings of the Company, the shares of Fairmount Real Estate were not voted by any person or proxies. The Company is not aware of who is/are the direct or indirect beneficial owner/s of the stocks issued to Fairmount Real Estate*

[6] *Include 30,834,375 and 63,920,490 sequestered Common Class A shares, the record owners of which are Palm Avenue Holdings Company and/or Palm Avenue Realty Corporation and presently held in trust by PCGG. Also included is 65,624,727 Common Class A shares, the record owner of which is Palm Avenue Holding Co., Inc. and 62,930,820 Common Class A shares, the record owner of which is RYM Business Management Corporation (PCD Nominee).*

[7] *Include 43,680,000 Common Class B shares, the record owner of which is Palm Avenue Realty and Development Corporation and 60,108,441 Common Class B shares, the record owner of which is RYM Business Management Corporation (PCD Nominee)*

PART IV – CORPORATE GOVERNANCE

ITEM 13. CORPORATE GOVERNANCE

The Company continues to further improve its current code of corporate governance practices and develop an efficient and effective evaluation system and processes to measure the performance of the Board of Directors and management, or determine the level of compliance of the Board of Directors and management with the Manual of Corporate Governance (the "Manual") of the Company. The Manual was adopted to institutionalize the principles of good corporate governance in the entire organization and in compliance with SEC Memorandum Circular No. 19, S2016, Corporate Governance Code for Publicly Listed Companies. The Company submitted its 2022 Integrated Annual Corporate Governance Report (2022 I-ACGR) to the Commission and Exchange on May 30, 2023. The 2023 I-ACGR will be submitted on or before May 30,2024.

The directors, officers and employees adhere to the leading practices and principles of good corporate governance. Corporate governance policies and principles are established to ensure that the interest of stakeholders are always taken into account; that directors, officers and employees are conducting business in a safe and sound manner; and that transactions entered into between the Company and related interests are conducted at arm's length basis and in the regular course of business. The Company confirms full compliance with its Manual of Corporate Governance. There is no incidence of deviation from the Company's Manual requiring disclosure as to the person/s and sanction/s imposed.

The Company's Corporate Governance Committee is composed of three independent directors and one compliance officer namely: Dr. Bernardo M. Villegas is the Chairman and the members are: Atty. Elmer B. Serrano and Atty. Rhodora L. Dapula; the Compliance Officer is Mr. Max D. Arceño.

In compliance with SEC Memorandum Circular 4 Series of 2019, attached to this Annual Report (SEC form 17-A) is the Company's Sustainability Report for the year ended December 31, 2023 (Annex "A").

PART V – EXHIBITS AND SCHEDULES

ITEM 14. EXHIBITS AND REPORTS ON SEC FORM 17-C

(A) Exhibits and Schedules
1. Benguet Corporation & Subsidiaries - Audited Consolidated Financial Statements for fiscal year ended December 31, 2023:
    - Statement of Management's Responsibility for Consolidated Financial Statements
    - Independent Auditors' Report
    - Audited Consolidated Financial Statements & Notes for the year ended December 31, 2023
    - Independent Auditors' Report on Supplementary Schedules
      Independent Auditors' Report on Components of Financial Soundness Indicators
      Financial Ratios
      Schedule I : Reconciliation of Retained Earnings Available for Dividends Declaration
      Schedule II : Map Showing the Relationship of the Companies within the Group
      Schedule as Required by SRC Rule 68-E
        - Schedule A. Financial Assets
        - Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
        - Schedule C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
        - Schedule D. Long Term Debt
        - Schedule E. Indebtedness to Related Parties

Schedule F. Guarantees of Securities of Other Issuers
Schedule G. Capital Stock

. 2. Benguet Corporation (Parent) Audited Financial Statements for fiscal year ended December 31, 2023:
- Statement of Management's Responsibility for Financial Statements
- Independent Auditors' Report
- Audited Financial Statements & Notes for fiscal year ended December 31, 2023

(B) The following disclosures have been reported and disclosed to the SEC and PSE under SEC Form 17-C during the last six months period covered by this report including disclosure up to the date of filing this report:

Date of SEC Form 17-C	Description of Disclosure
04.15.2024	Report on the list of Top 100 Stockholders of the company with PCD Beneficial Owner Participants for the quarter ended March 31, 2024.
04.05.2024	Report on the computation of minimum public ownership for the quarter ended March 31, 2024.
04.03.2024	Report on the implementation of the amended stock option plan for the month of March 2024
04.02.2024	Report on shares by lot for the month of March 2024
03.22.2024	Disclosure on approval by the Board of Directors of the Company's audited parent financial statements and audited consolidated financial statements as of year ended December 31, 2023 and amendment of the Company's Stock Option Plan to include the definition of "consultants".
03.22.2024	Disclosure on the appointment of Engr. Deogracias P. Halog as AVP for Technical Operations
03.05.2024	Report on the implementation of the amended stock option plan for the month of February 2024
03.05.2024	Report on shares by lot for the month February 2024
02.02.2024	Report on the implementation of the amended stock option plan for the month of January 2024
02.02.2024	Report on shares by lot for the month of January 2024
01.18.2024	Disclosure regarding the Annual Verification and Certification issued by Mines and Geosciences Bureau (MGB)
01.10.2024	Report on the list of Top 100 Stockholders of the Company with PCD Beneficial Owner Participants for the quarter ended December 31, 2023.
01.05.2024	Annual Report on Implementation of Stock Option Plan for the year ended December 31, 2023
01.04.2024	Report on the computation of minimum public ownership for the quarter ended December 31, 2023
01.04.2024	Report on the implementation of the amended stock option plan for the month of December 2023
01.03.2024	Report on shares by lot for the month of December 2023
12.12.2023	Report on the launching of book entitled "Moving Mountains, Making History: The BenguetCorp Story"
12.05.2023	Report on the implementation of the amended stock option plan for the month of November 2023
12.05.2023	Report on shares by lot for the month of November 2023
11.21.2023	Report on the approval of Exploration Permit of the Company's Bolco Project in Zamboanga Sibugay
11.08.2023	Results of Virtual Annual Stockholders' Meeting held on November 8, 2023 and Organizational Meeting of the Board of Directors held after the Annual Meeting of the stockholders
11.07.2023	Report on the implementation of the amended stock option plan for the month of

	October 2022
11.06.2023	Report on shares by lot for the month of October 2023
10.11.2023	Report on the list of Top 100 Stockholders of the Company with PCD Beneficial Owner Participants for the quarter ended September 30, 2023
10.05.2023	Report on the computation of minimum public ownership for the quarter ended September 30, 2023
10.04.2023	Report on the implementation of the amended stock option plan for the month of September 2023
10.04.2023	Report on shares by lot for the month of September 2023
09.05.2023	Report on shares by lot for the month of August 2023
09.05.2023	Report on the implementation of the amended stock option plan for the month of August 2023
08.30.2023	Retention of Chairman Bernardo Villegas as one of the Company's Independent Directors
08.30.2023	Board approval on the appointment of Atty. Elmer B. Serrano as Independent Director; Atty. Carlos Alfonso T. Ocampo as Director and promotion of Engr. Emmanuel M. Puspos as Assistant Vice president for Mining and Business Development.
08.30.2023	Board approval on holding of Virtual Annual Stockholders’ Meeting on November 8, 2023 at 3:00PM.
08.30.2023	Press release of the Company entitled "Benguet Corporation's 120th Anniversary is a testament to its enduring legacy in mining excellence, sustainable practices and community development".
08.15.2023	Resignation of Atty. Jose Raulito E. Paras as member of Benguet Corporation's Board of Directors, Board Risk Oversight Committee, and Related Party Transactions Committee.
08.11.2023	Press release entitled “BENGUET CORP @ 120: Diversity in business, and Resiliency in the face of Adversity”
08.03.2023	Report on the implementation of the amended stock option plan for the month of July 2023
08.02.2023	Report on shares by lot for the month of July 2023
07.11.2023	Report on the list of Top 100 Stockholders of the Company with PCD Beneficial Owner Participants for the quarter ended June 30, 2023
07.07.2023	Resignation of Mr. Reginald S. Velasco as Independent Director of the Company, chairman of Board Risk Oversight Committee and member of Salary and Stock Option, Corporate Governance and Related Party Transactions Committees
07.07.2023	Report of the computation of minimum public ownership for the quarter ended June 30, 2023
07.05.2023	Report on the implementation of the amended stock option plan for the month of June 2023
07.04.2023	Report on shares by lot for the month of June 2023

SIGNATURES

Pursuant to the requirement of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on April 30, 2024.

BENGUET CORPORATION
(Issuer)
By:

LINA G. FERNANDEZ
President
Principal Executive Officer

VALERIANO B. BONGALOS, JR.
Vice President/Resident Manager – Benguet District Operations
Principal Operating Officer

MAX D. ARCEÑO
Senior Vice President, Finance & Treasurer
Principal Financial/Accounting Officer

HERMOGENE H. REAL
Corporate Secretary

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.
x - x

SUBSCRIBED AND SWORN to before me this APR 30 2024 at Makati City, Affiants exhibited to me their identifications to wit: Atty. Lina G. Fernandez with Social Security System (SSS) No. 03-75370258, Valeriano B. Bongalos, Jr. with SSS No. 03-31004128, Max D. Arceno with SSS No.03-82056688; Atty. Hermogene H. Real with SSS No. 03-32358763, all are issued by the Office of the Social Security System, Philippines.

SHEILA C. CENIT-BELGICA
Commission No. M-234
Notary Public for Makati City
Until December 31, 2025
7F Universal Re Building
106 Paseo de Roxas, Makati City
Roll No. 53476
IBP Life Member No. 014470 / 02.18.16
PTR No MKT10078179 dated January 4, 2024

Doc. No. 82
Page No. 18
Book No. I
Series of 2024.

Annex A: Sustainability Report

Contextual Information

Company Details	
Name of Organization	Benguet Corporation
Location of Headquarters	7F Universal RE Building, 106 Paseo de Roxas, 1226 Makati City Philippines
Location of Operations	Itogon, Benguet Province for mining of gold and silver Irisan, Baguio City for operation / processing of lime products
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Benguet Gold Operations (BGO) Corporate Headquarters (CHQ) Irisan Lime Project (ILP)
Business Model, including Primary Activities, Brands, Products, and Services	Natural resources company engaged in, but not limited to the following: 1. Mineral exploration; 2. Mine development; 3. Mineral resources extraction; 4. Gold & silver processing; 5. Management of mine waste and mill tailings; 6. Production of quicklime and hydrated lime; and 7. Restoration / rehabilitation of mined-out areas.
Markets Served	Processed gold is sold to Bangko Sentral ng Pilipinas (BSP); Lime products are sold to mining and allied companies and farmers within Benguet and neighboring Provinces.
Scale of the Organization	1. Total average number of employees for 2023 is 448 employees which includes Central Headquarters (CHQ), Benguet Gold Operation (BGO) and Irisan Lime Project (ILP). 2. Total number of operations: ➢ One (1) – Mining and milling operations for gold and silver ➢ One (1) – 3 Kilns alternately operating for lime production. 3. Net Sales (private sector) ➢ Total Capitalization ➢ Debt – Php1,499.52M ➢ Equity – Php7,545.95M 4. Quantity of products – ➢ Gold – 5,931.971 ounces ➢ Silver –6,207.67 ounces ➢ Lime – 6,553.470 Metric Tons
Reporting Period	CY 2023
Highest Ranking Person responsible for this report	Atty. Lina G. Fernandez – President

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.[1]
The 2023 Sustainability Report provides the fundamentals of informing our stakeholders in understanding the most critical and material topics that contributed to and affected the 2023 ESG performance that impacted people's health, environment, and economy. Beyond the unprecedented challenges, the Company has embodied a solution-driven mindset to impart lasting value to its investors and stakeholders. The report provides a detailed overview of the way best sustainability practices are deeply rooted in Benguet Corporation's business. It is of these facts that Benguet Corporation unceasingly strives to manage its operation under the following principles and commitments to attain its long-term objectives: a. Profit and growth-oriented; b. Responsible operation and care for the environment; c. Commitment to improving the quality of life of our employees, the communities, and all stakeholders; and d. Compliance with existing laws, rules, and other obligations *The Board has a clearly defined and updated vision, mission, and core values. Please refer to the BC website under the tab "About Us" http://:benguetcorp.com/about-us/* *Please refer also to the Board Charter p.8 which states that one of the general responsibilities of the Board is to determine the Company's purpose, vision, mission, and strategies to carry out its objectives.* *http://:benguetcorp.com/corporate-governance/board-committee/* **Economic Material Factors** The continuing war between Ukraine and Russia and the conflict between Israel and Hamas have affected the supply and delivery of fuel to the import-dependent business community. These are the two major aspects that are contributing to the accelerating increase of operational costs resulting in the continuing price increase of fuel and power rates. With the continuing increase of power rates and fuel costs, BC maintained its strategies that were implemented in the 2nd half of 2022 to withstand multiple operational headwinds and prolonged worries in this new reality as it resumes its growth trajectory in the long term. The management decided to enforce an increase in milling charges to contractors due to the rise of power and fuel charges. The decision was a preemptive measure to avert enormous losses. Our strategy recognizes the vital role we play in uplifting the local and national economy.

[1] See GRI 102-46 (2016) for more guidance.

Our economic performance is based on the value our operations contribute to the local and national governments, host and neighboring mining communities, and the environment, at large. Our operations have created derived demand resulting in the establishment of micro, small, and medium enterprises in our mining community as well as in other areas where we source our value chain. Through our operations, the quality of life of our shareholders, employees, and other stakeholders has improved, local economies vigorously grew, and protection of the environment- intensified.

Environmental Material Factors

Benguet Corporation is committed to the protection and enhancement of the environment by ensuring that its mining operations are in full compliance with mining and environmental laws, rules, and regulations. It ensures close collaboration and coordination with the Department of Environment and Natural Resources (DENR), the Mines and Geosciences Bureau (MGB), the Environmental Management Bureau (EMB), and all the government agencies that monitor compliance. Sustainability is core to BC's corporate strategy and sits at the heart of everything it does. Our operation aims to be environmentally responsible, respecting human rights and supporting the communities in which BC operates. It is the leading value that enables our people to understand our common purpose, our values, how we measure success, and the basis for our decision-making. It is about managing our risks, reducing adverse environmental, social, economic, and cultural impacts, and supporting and sustaining the communities and environments in which we operate.

The Environmental Material Factors have been considered essential in keeping our operations successful. As a mining company, we are committed partners of the government in the conscientious development of the country's natural resources. This agreement comes with a huge responsibility not just to harness, but most specifically to protect, nurture, restore, and enhance the environment. Nature and the resources within are the main enablers of our business, and as such, considerable care is our priority. Mitigating any possible adverse effects of our operations on the environment is part of our day-to-day function. The Company's mining activity is guided by the provisions of the Philippine Laws, such as but is not limited to the following:

1. Department Administrative Order No. 2010-21 (Implementing Rules and Regulations of R.A. 7942 – The Philippine Mining Act of 1995)
2. R.A. 9275 – Philippine Clean Water Act 0f 2004
3. Department Administrative Order No. 2005-10 (IRR of R.A. 9275 – Philippine Clean Water Act);
4. Department Administrative Order No. 2000-98 (Mine Safety and Health Standard);
5. Department Administrative Order No. 2000-81 (IRR of R.A. 8749 – Philippine Clean Air Act);
6. R.A. 8371 – Indigenous Peoples Rights Act;
7. DENR Administrative Order N0. 2001-34 (IRR of R.A. No. 9003 – Ecological Solid Waste Management Act),
8. R.A. No. 6969 – An Act to Control Toxic Substances and Hazardous and Nuclear Wastes
9. Department Administrative Order No. 28 (IRR of R.A. 6969 – Toxic Substances and Hazardous and Nuclear Wastes Control Act); and
10. DENR Administrative Order No. 2003-30 (Revised Procedural Manual of P.D. 1586 – Environmental Impact Statement System).

We constantly monitor the land, air, and water quality, the siltation levels in bodies of water, as well as the forest cover / density in the affected areas within our operations and its surrounding environs. We adhere to the strict parameters laid out by the government in ensuring that we protect the ecosystem, promote biodiversity, and enhance the environment.

Social Material Factors

Benguet Corporation puts health and safety as top priority and believes that sustainability includes playing an appropriate role in addressing global issues such as climate change, supporting and respecting human rights, and advocating for social change such as by supporting the rights of Indigenous Peoples. As a century-old corporation, BC has witnessed and navigated through countless crises together with our employees, suppliers, and local communities but BC managed to put top priority concerns to people first.

As a responsible business entity, our Vision, Mission, Goals, Safety and Environmental Policies are centered on achieving productivity and advocating for the safety and health of our employees, assisting the people within our host and neighboring communities, and the continuous enhancement of our environment. We share the stewardship of our country's natural resources. As we operate within the indigenous communities, we support local cultures and respect human rights as we help drive economic development in the area.

As a responsible corporate partner of society, the Company has a social obligation not only to preserve, protect, and enhance the physical and ecological environment but also to improve the quality of life of the people in the communities surrounding the operation.

Aside from the Company's commitment to be socially responsible and environmentally conscious, it also aims to achieve competitiveness and excellence as a natural resource development Company through enhanced productivity and improvement of quality of life of its employees, their families and the host communities. At the heart of Benguet Corporation's philosophy are the people (employees and other stakeholders) promoting not only their interests and maintaining good community relationships but also to enable them to be empowered for the stewardship of the environment and natural resources surrounding them. To support this, we empowered and developed an inclusive and diverse workforce that is representative of the communities where we operate.

As a continuing commitment and manifestation of the Company's compliance with the implementation of its Social Development and Management Programs, Benguet Corporation has extended assistance on the various needs of its host and neighboring communities in all its areas of operations based on the following development framework as provided under the SDMP guidelines:

1. On Human Resource Development and Institutional Building,
2. On Enterprise Development and Networking,
3. On Assistance to Infrastructure Development and Support Services,
4. On Access to Education and Educational Support Programs,
5. On Access to Health Services, Health Facilities and Health Professionals
6. On Protection and Respect to Socio-Cultural Values
7. On the Development of Mining Technology, and
8. On United Nations Sustainable Development Goals.

This is our fundamental way to maintain our social license.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount (2023) - BGO	Amount (2023) - ILP	**Total Amount (2023)**	Total Amount (2022)	**Unit**
Direct economic value generated (revenue)	628.02M	99.79M	727.81M	1,014.73M	PhP
Direct economic value distributed:					
a. Operating costs	297.42M	52.93M	350.35M	384.94M	PhP
b. Employee wages and benefits	119.61M	3.98M	123.59M	111.91M	PhP
c. Payments to suppliers, other operating costs	181.94M	0.98M	182.92M	430.24M	Php
d. Dividends given to stockholders and interest payments to loan providers					PhP
e. Taxes given to government	30.59M	Consolidated BC	30.59M	40.70M	PhP
f. Investments to community (e.g. donations, CSR)	5.65M	1.12M	6.77M	15.00M	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) The operation of Benguet Corporation-Benguet Gold Operation, Acupan Contract Mining Project (BC-BGO-ACMP) employs underground mining method or tunneling while the Irisan Lime Project (ILP) operation purchases raw limestone materials from suppliers engaged in land development and quarry operations surrounding Baguio City and Benguet Province as feed material for the kiln plant. The combined total revenue of the operations of BGO and ILP for 2023 has tremendously lowered by 28% (Php285.2M vs. 2022 value). The non-attainment of estimated gold production in ounces is caused by lower ore tonnage and mill head that resulted in lower revenue. In addition, power costs and fuel remain high.	Employees of the Company and mining contractors. People in the host and neighboring communities. Local and national government – revenue/tax collection. Service providers and suppliers. Business establishments in the community. National government – contribution to national revenue and additional gold reserve. MSMEs – our gold operations have been instrumental in creating derived demand for inputs to our suppliers and stakeholders (i.e. raw materials, housing, construction) and the creation of small business enterprises in the communities surrounding the mining operation.	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* The Company ensures that all regulatory requirements are religiously complied with, work programs are implemented according to approved plans, commitments to stakeholders are delivered, taxes are paid, employees' statutory benefits are given, i.e. payment of salaries and wages of employees are on schedule, and health and safety of employees are taken care of. Measures are in place to prevent or mitigate, if not eliminate, the negative impacts of the operation. BC is striving to diversify into other business prospects in agribusiness and land development projects with an aim to sustainably maintain its economic prosperity.

Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship) Despite reduced revenue generated, the Company continued to provide the following benefits to its employees and to the host and neighboring communities: • Economic growth in the host and neighboring communities; • Maintained family income of employees and community residents; • Medical services through the SDMP; • Educational opportunities to deserving students from the host and neighboring communities through the scholarship program of the Company; • For the local government units – continue tax revenue collection; • Assisted in local government infrastructure projects and sustained delivery of basic services to the communities through SDMP; • Assured budgetary allocations for the protection and enhancement of the environment and social development; • Subsidized electricity and provision of free water to employees and other stakeholders in the communities. Negative impacts of the mining operation include the following: • Depleting/dwindling mineral resources - Minerals, like gold, silver, and limestone are non-renewable resources. • Intrusion of illegal small-scale miners' operations in BC claims that depletes resources and reduces company revenues, thus, lowering tax collection by the local government. • The illegal small-scale underground mining method may have negative environmental effects unless properly remediated. • Timber resources for underground mine support. Scarcity of timber for mine support due to nationwide logging ban.		

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Identify risk/s related to material topic of the organization. Risk identified that have affected the 2023 operation are the following: • Unstable Forex rate - Philippine Peso versus US dollar; • Lower ore grades and mineable ore reserves. • The ever-changing policies toward the mining industry is greatly affected as investors tend to shy away from mining investments. • The unabated illegal intrusion by small-scale miners surrounding the mining properties of the Company entails significant business risks and leads to environmental degradation or mining accidents that regulators blamed the incident to the operation of the Company. • Intrusion of illegal small-scale miners into the working areas of mining contractors resulting to high grading of mineral ores and unsafe mining practices; • High-grading / pilferage of high grade ore by employees of mining contractors due to limited presence of security personnel in the underground mining operation.	*(e.g. employees, community, suppliers, government, vulnerable groups)* Company – production target not attained. Employees of the Company and mining contractors. People in the host and neighboring communities. Local and national government – reduced revenue / tax collection. Service providers and suppliers.	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* To monitor production performance, BC-BGO site managers regularly conduct operations meetings where weekly production activities vs. targets are discussed and solutions are provided to issues and concerns that affect production. At the corporate head office, the officers are given daily and weekly updates on the accomplishments of the operations, and bi-monthly meetings are conducted to discuss matters arising from previous operations reports and introduce interventions when necessary. Weekly and monthly mine productions and mill recovery are being monitored regularly. Compliance with regulatory obligations is likewise discussed during these meetings. Quarterly and annual reports are timely submitted to the regulatory agencies and monitored regularly. Production records, employment levels, amount of local and national taxes paid, as well as compliance progress are reported.

• Uncontrolled entry of hazardous substance/explosives in the underground by illegal miners. • Water quality from gold processing may be affected if tailing's facilities are not managed properly following standard on tailings management. • The unstable supply of electricity and the unscheduled power interruption in 2023 have contributed to lower gold production.		To ensure proper compliance, the Company puts a great amount of effort and invests a substantial amount of its resources into environmental protection and rehabilitation in its areas of operations. As proof of its commitment to responsible and sustainable mineral resource development, the Company implements best practices and has adopted an environmental policy statement consistent with ISO:14001-2015 Certification on Environmental Management System (EMS). The Company maintains strong relationships with the IPs, and LGUs through its SDMP, and multi-sectoral monitoring/consultation meetings. The Company continues to have effective lines of communication with the regulatory agencies (i.e. DENR, MGB, EMB, etc.). The Company provides full cooperation to regulators regarding compliance with governmental requirements in ensuring mine safety and environmental protection. The following are measures imposed to abate the pilferage of processed gold inside the industrial zone: • Site managers closely monitored the production performance and issued guidance/instructions to department heads to improve their mining activities and gold recovery at the mill operation. • Increased security surveillance and visibility of security personnel at the BGO mill area to prevent pilferage of gold. • Installed security cameras to deter attempts by persons from pilfering.

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Identify the opportunity/ies related to material topic of the organization? Through continuous cost monitoring of power consumption, BC Management has realized that the increased fuel and power rates have greatly affected the revenue. With this finding, management decided to impose shared mill charges through a graduated increase in milling cost per tonnage to the contractors.	*(e.g. employees, community, suppliers, government, vulnerable groups)* BC-BGO Employees. Mining contractors	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* The economic material topic is managed through strict observance of corporate governance mechanisms and employee dedication to meet production targets, financial objectives, and shareholder expectations that were derived from the well-disciplined workforce of the organization. Profound and faithful monitoring of mining and milling costs to determine the various factors that are contributing to the economic losses of the operation. Strengthened mining strategy with the advanced development that preceded the geology and exploration activity in the identification of high-grade ore mineable areas.

Climate-related risks and opportunities[2]

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities. BC-Benguet Gold Operation is aware that mining operations are energy intensive. It generates significant GHG emissions which contribute to climate change. With this understanding, the Management Committee composed of the Chairman of the Board, the Chief Executive Officer, and the Compliance Officer oversees the Company's sustainability initiatives. They work together to ensure that the Company achieves its climate-related strategy through reduction and resiliency to attain its contribution to its sustainability commitments. As a responsible enterprise, the operation advocates for natural ecosystem preservation. The Management Committee exercises its mandate in the enforcement of laws for the operation not to pose any significant pollution that contributes to climate-related risks that threaten	***Disclose the actual and potential impacts[3] of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.*** Global warming is distinct. Climate change covers a wide range of different circumstances, such as the increasing number of natural calamities caused by abnormal weather conditions, depletion of water resources, food scarcity, flooding, typhoons, earthquakes, etc. Under each condition, the impacts to the mining operation of BC-BGO and to the surrounding environment are pronounced. Every year, BC-BGO and ILP allocate a portion of its operating cost to further strengthen its environmental programs that, to some extent, go beyond mere regulatory compliance.	***Disclose how the organization identifies, assesses, and manages climate-related risks.*** BC-BGO is ISO 14001-2015 Certified operation. All identified and assessed climate related risks and its corresponding mitigating measures have been incorporated and addressed in the Environmental Management System Manual, in addition to the Environmental Protection and Enhancement Program which are continuously being monitored by the regulatory agencies.	***Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.*** The Company continuously looks at ways in contributing to community and ecosystem resiliency. With the approved Annual Environmental Protection and Enhancement Program (AEPEP), the Company laid out its annual targets and milestones to continuously address and mitigate the identified climate related risks which are stated in its Corporate Governance Manual.

[2] Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.
[3] For this disclosure, impact refers to the impact of climate-related issues on the company.

biodiversity existence. We operate in a manner that manages and mitigates our GHG emissions and other climate-related risks and impacts. *Please refer to Manual on Corporate Governance. http://benguetcorp.com/corporate-governance/board-committees/.*	BGO and ILP operations are in collaboration with the host and neighboring villages to actively participate in CO^2 sequestration by planting more trees in their surroundings. All plantations that were previously established are being maintained yearly. The total expenditures for the implementation of the environmental protection program of BC-BGO in 2023 amounted to P 8,432,814.61. In 2023, our Scope 1 GHG emission is lower by 28.33% & Scope 2 went down by 8% compared to 2022 value. Only one (1) kiln was utilized in 2023.		

Recommended Disclosures			
a) Describe the board's oversight of climate-related risks and opportunities. Monitoring the implementation of all action plans to address identified climate change and climate-related risks and performance against commitments	*a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.* Among the identified risks and opportunities related to climate	*a) Describe the organization's processes for identifying and assessing climate-related risks.* Risks identification attributed to climate change is supported	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

are among the major agenda being discussed during regular meetings by the Board Risk Oversight Committee (BROC). The Board has the overall function or control of all related activities on climate risks and opportunities and ensuring that budgets for the implementation of environmental programs are funded and implemented according to approved plans.	change are the following: 1. Risks - a. Deforestation b. Landslide c. Forest fire / bush fire d. Underground water depletion e. Air pollution 2. Opportunities – a. Employment through reforestation activities b. Watershed enhancement c. Water spring and water impounding development d. Cleaner air	by the following approach: 1. The involvement of the Site Manager in the assessment and evaluation of the potential risks in all aspects of the operation. 2. Develop response (including required budget) to ease the effect of the identified risks and report to the Board Risk Oversight Committee for approval. 3. The Site Management shall implement the approved mitigation plans and submit accomplishment report to the BROC for information. 4. BROC will monitor the effectiveness of the mitigation measures to abate risk. 5. Report to regulatory agencies where appropriate. *Please refer to Board Risk Oversight Committee Charter link* *[http://benguetcorp.com/wp-content/uploads/2020/06/C- Board-Risk-Oversight-Comm-*	We recognize that there is increasing pressure to better understand and reduce GHG emissions. Our organizations strategy to assess climate-related risks and opportunities are as follows: There is open line communication between the members of the Board, the Committees, and the Company Executives down to the Site Management. Programs on climate-related risks are considered among top priorities of management, particularly, water management, pollution control and increase reforestation activities to enhance the surrounding ecosystem. BC-BGO and ILP are following the provisions of Environmental Laws, Rules and Regulation: 1. R.A. 9275 – Philippine Clean Water Act Of 2004 2. Department Administrative Order No. 2005-10 (IRR of R.A. 9275 – Philippine Clean Water Act); 3. Department Administrative

		Charter.pdf	Order No. 2000-81 (IRR of R.A. 8749 – Philippine Clean Air Act); 4. DENR Administrative Order N0. 2001-34 (IRR of R.A. No. 9003 – Ecological Solid Waste Management Act), 5. R.A. No. 6969 – An Act to Control Toxic Substances and Hazardous and Nuclear Wastes 6. Department Administrative Order No. 28 (IRR of R.A. 6969 – Toxic Substances and Hazardous and Nuclear Wastes Control Act); and 7. DENR Administrative Order No. 2003-30 (Revised Procedural Manual of P.D. 1586 – Environmental Impact Statement System).
b) Describe management's role in assessing and managing climate- related risks and opportunities. Managing climate change is a shared responsibility among key managers/front liners in the mining operation and executives of Benguet Corporation. Collaboration among Department heads has proven to be effective in assessing and determining risks and opportunities attributable to	***b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.*** The mining operation is an extractive process that is always associated with environmental risk. Benguet Corporation's operation in Itogon is the subject of rigorous evaluation and monitoring by regulatory agencies on its compliance with	***b) Describe the organization's processes for managing climate-related risks*** BC recognizes the role in collaborating with others to achieve progress in managing the challenges of climate change. Experts from the private sector, government agencies, the academe, and non-government organizations were consulted on various	***b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.*** The implementation of the approved 2023 Environmental Protection and Enhancement Program (EPEP) of BGO and ILP includes the annual targets and corresponding budget per activity. The total expenditures for the implementation of the

climate-related risks. Regular collaboration and coordination by BC management with the regulatory agencies and other related industries to discuss issues, concerns and other matters related to climate change that affect governance while promoting accountability and transparency.	environmental laws and regulations to reduce or eliminate pollution. The Company stands in solidarity with the government to arrest the deteriorating climate pattern through wise utilization of natural resources and lowering CO2 emission that affects the ozone layer. The Company's reforestation programs (Mining Forest Program and the National Greening Program) are its positive contribution to the worsening climate change. As presented in the approved Annual Environmental Protection and Enhancement Program of 2023, Plans/Programs/Activities (P/P/A's) are all provided with corresponding budget and monitoring strategies.	aspects to prevent and minimize the effects of climate change. The company implements programs that are consistent with its goals and targets. The budget for the full implementation of the reforestation program on denuded slopes of the mountain and rehabilitation of eroded areas are funded. Water pollution control measures are strictly monitored to prevent the escape of processed water from leaks that may contaminate the water bodies. The company seeks opportunities to work with partners to utilize technologies that will include carbon capture and the natural climate solutions of reforestation and afforestation. We will continue to seek opportunities to collaborate with value	2023 EPEP is P8,432,814.61 representing 67.40% accomplishment vs. the P12,512,090.04 budget. Non-attainment of the goal was due to failure or late compliance by the communities/beneficiaries to the requirements. For the year 2023, the total reforested area being maintained in BGO is 6.0 hectares planted with assorted seedlings of forest tree species and fruit trees.

		chain partners, investors, researchers, and government agencies to work towards reducing the negative effects of climate change.	
	c) ***Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario.*** BC's environmental enhancement program, particularly on reforestation and forest protection, is aimed at reducing CO^2 in the atmosphere. In addition to the establishment of forest plantations, additional projects implemented to attain the different climate-related scenarios are as follows: • Increased preventive maintenance schedule of anti-pollution devices such as scrubbers to arrest air pollutants from gold smelting processes. • Dust emissions were reduced with a dust suppressor system using air and water to act as	c) ***Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.*** The Board Risk Oversight Committee is tasked to make sure that the Company's environmental programs and compliances are integrated into the overall mine development program and implemented in accordance with the approved program by the Department of Environment and Natural Resources through the Mines and Geosciences Bureau and Environmental Management Bureau. With this, it is clearly defined following the principle that risk management is management's responsibility. Clear roles are	

	suppressors for spraying along roads inside industrial area. • Regular preventive maintenance program is being conducted on vehicles and equipment to ensure smoke emissions are within the DENR-prescribed standards. • All environmental safeguards are put in place to mitigate and reduce the emission of CO^2.	defined and aligned to the sustainability strategy and commitments of Benguet Corporation.	

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity				Units
	BGO		ILP		
	2023	2022	2023	2022	
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers.	91% 114,454,825	71.00% 104,987,980.5	100% 61,696,298	110% 61,696,298	% Php

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Sustainable procurement of essential commodities/supplies and materials needed by the operation is attained by working closely with our key partners/suppliers along our value chain. BC's procurement practices are always in accord with the Procurement Policy of the company. *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* Sustainability activities in our value chain were categorized as follows: Responsible for sourcing from local or foreign sources of needed logistics for the operation; Quality control of products and services to meet the expectations of the operation Timeliness – availability of the products and services. The 2023 operation of BGO has incurred 91% total purchased materials and supplies from local	*(e.g. employees, community, suppliers, government, vulnerable groups)* Employees in-charge of procurement Suppliers/manufacturers of product and services providers Materials Management Departments	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* BC believes that the success of the operation can be achieved through respect and transparent dealings between the management and the various agencies/entities and suppliers that provide the goods and services to the Company. It manages supplier relationships through its values and compliance with applicable regulatory frameworks. To ensure sustainability in our supply chain, a risk-based approach in assessing suppliers is in place. Suppliers must comply with the standard requirements, such as ISO certified or government standard compliances. We acknowledge the invaluable contributions of our suppliers and service providers who play an integral role in our holistic value chain.

suppliers amounting to P114,454,825.00 vs. budget of P 125,120,059. On the other hand, the Irisan Lime Project spent a total of P 61,696,298, or 100% of its budget on local purchases of materials and supplies.		

What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization Delays in the delivery of imported supplies and materials/equipment parts have affected the mechanical availability of the equipment. Sub-standard quality of supplies and materials or products that may affect or slow down the operation and reduce gold production. Sourcing imported materials is expensive and may delay the delivery of needed supplies which will affect production.	*(e.g. employees, community, suppliers, government, vulnerable groups)* Shareholders – lesser revenue due to lower production; Employees of contractors and suppliers – productivity is affected; Operations – they must work around the limitations of local suppliers sometimes sacrificing the timeliness of the process which may result in higher production costs. Suppliers – loss of trust and confidence	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* To ensure sustainability in the supply chain, a risk-based approach is being taken in assessing suppliers. We engage them through a commercial framework that is aligned with BC's Purchasing Policy. Long-term planning on mining development and programs to advance the forecasting of needed materials and supplies to ensure availability when needed by the operation. The company has prioritized suppliers with ISO 14001-2015 Certification.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization. Partnering with local suppliers gives BC better	*(e.g. employees, community, suppliers, government, vulnerable groups)* Suppliers – local suppliers can sustain	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*

credit lines, more responsive lead times, and customization options (smaller minimum order requirement). Through its mining operation, the Company is opening doors and providing business opportunities to suppliers and service providers, (local and foreign suppliers, and community residents).	and grow their operations because of the mining operation of BGO and ILP. MSMEs – as mining operations expand, intermediate industries are given the opportunity to address the needs in each part of the value chain. Employees – direct collaboration in dealing with local suppliers	Continue to develop good relationships with suppliers and service providers. Continue to work with local suppliers that provide quality services and products at lower costs.

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units / %
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship) BC practices zero tolerance to corruption in the conduct of its business. Some potential sources of corruption are as follows: Employees may be involved in bribery and corruption on permit and license acquisition and during land acquisitions/negotiation. As there are numerous purchasing transactions, employees may be offered bribes/ incentives on these engagements. Giving or asking special favors to/from mining contractors, Service Contractors, or other stakeholders in exchange for personal gain such as but not limited to relaxing company policies and procedures.	*(e.g. employees, community, suppliers, government, vulnerable groups)* Suppliers – all suppliers must go through the same screening. This ensures the company gets what it pays for, and the supplier delivers what it promises. Employees – must be the vanguards of integrity especially when representing the company to external parties. Community – those who support corruption by supporting peers engaged in unlawful conduct deprive honest businesses of the chance of flourishing their trade and contributing back to the community. Management – should always advocate a culture of excellence and integrity. They set the values of the company and must promote the example of anti-corruption. Government regulatory agencies – officials must practice global policies on anti-corruption in the conduct of government and private business transactions.	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* The board sets the tone and makes a stand against corrupt practices by adopting an Anti-fraud, Corruption, and Whistleblowing Policy in its Code of Employee and Business Conduct. *Pls refer to the following links:* *Code of Employee Conduct and Discipline* http://benguetcorp.com/wp-content/uploads/2018/05/ECD%20with%20ee%20acknowledgement.pdf *Code of Business Conduct and Ethics* *http://benguetcorp.com/wp-content/uploads/2020/06/E.-Code- of-Conduct-of-Business-and- Ethics.pdf*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Delay in the acquisition of permits and licenses. Engagement in corrupt practices may result in: • Cancellation or suspension of	Mining contractors – reduced amount of share in volume and value LGU – less tax collection Employees – suspension and withholding of salaries and benefits, dismissal from	Prompt submission of documents and compliance with government requirements to avoid delay in the processing of permits and licenses. Maintain good relationships and

permit/licenses/contract agreements or other kinds of penalty • Court case • Business losses • Exposure to higher or additional operational costs	employment. Host community –stoppage of the implementation of social development programs.	close communication with concerned regulatory agencies. The company has clear and stringent Fraud and Corruption policies and procedures in curbing and penalizing employee involvement in offering, paying and receiving of bribes/unlawful benefits. The Company disseminated the anti-corruption policies and programs to employees throughout the organization via emails and employees signed acknowledgement. *Pls refer to link Code of Employee Conduct and Discipline,* *link #41 & 47 Page 8* ECD with ee acknowledgement.pdf (benguetcorp.com)
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
With the existence of written policies and communication to all concerned and their vigorous implementation, possible involvement in corruption and bribery will be minimized if not eliminated. Harmonious relationship with the regulatory agencies, community, and other stakeholders. The continuous mining operation is assured, and the integrity and reputation of the Company are maintained with the absence of corruption and bribery in the organization.	Host community – increase in public investment and support to the organization. National government agencies and local government units – strengthen the position of the regulatory system and guarantee a degree of fairness. Suppliers/contractors / service providers – leads to a secure and long-term business relationship. Employees – job satisfaction and security and increase in employee morale and shared values.	Closer relationship with all the stakeholders in the mining circle and government agencies. Strict observance of the schedule for the submission of regulatory reports and compliances.

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* The Company has not experienced and has no recorded incidents of corruption by any of its Board of Directors and Officers nor from its employees. The company's Code of Business Conduct and anti-corruption standards clearly prohibit bribery and corruption in all business dealings. Benguet Corporation is recognized as one of the top Philippine publicly listed companies in corporate governance based on the 2021 and 2022 ASEAN Corporate Governance Scorecard (ACGS) and Corporate Governance Scorecard (CGS) Assessment Results given by the Institute of Corporate Directors. The Company is a recipient of a Golden Arrow Awards, received on January 20, 2023, and September 28, 2023. The recognition indicates a strong commitment of Management to good corporate governance. Such commitment is being sustained up to 2023 and beyond.	*(e.g. employees, community, suppliers, government, vulnerable groups)* The Company, Board of Directors, officers, Senior Managers, and all employees were all responsible for the strict implementation and compliance with the Employee Code of Conduct and compliant to all government and other pertinent governing bodies.	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* All employees are covered by the Anti-Fraud, Corruption, and Whistleblowing Policy and Employee Code of Business Conduct. A review of the Code was recently undertaken, and changes were communicated to BC and its subsidiaries' employees. Members of the Management Team continued to comply with governing bodies' requirements including Corporate Governance reports and compliances. *Pls refer to the following links:* *Code of Employee Conduct and Discipline, link #41 & 47 Page 8* http://benguetcorp.com/wp-content/uploads/2018/05/ECD%20with%20

		ee%20acknowledgement.pdf *Anti-fraud, Corruption and Whistle-blowing Policy* http://benguetcorp.com/wp-content/uploads/2020/06/anti-fraud-corruption-whistleblowing-policy.pdf *ACGS Awarded Benguet Corporation as top performing publicly listed Company* *http://benguetcorp.com/corporate-governance/*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization Keeping the workplace free from corruption vis a' vis building a culture of integrity is always a continuous challenge as employees and stakeholders are exposed to high-valued minerals and assets. If the risk of income/profit loss due to corruption or pilferages will not be addressed, it will eventually lead to business closure.	Business closure may affect the following: Mining contractors – reduced amount of share in volume and value. LGU – lesser tax collection Employees – Suspension or termination of employment Host community - community development projects might be suspended/stopped.	Management, including its officers and managers, should set a personal example of integrity. Strong leadership and commitment in the implementation of the "Anti-fraud, Corruption and Whistleblowing Policy" which is included in the Employee Code of Conduct should be uniformly implemented across all organizations and levels.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization A workplace free of corruption with employees with high regard of integrity could lead to more productive and greater business opportunities for the Company.	The opportunities/outcome will surely be reaped by the communities, LGUs, employees, and other stakeholders.	Management endeavors to further strengthen its core values, systems, and procedures to reduce, if not totally eliminate corruption and fraud in the workplace.

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity						Units
	BGO		ILP		Total		
	2023	2022	2023	2022	2023	2022	
Energy consumption (kerosene)	2,117.62	3,044.79	0.0	0.00	2,117.62	3,044.79	GJ
Energy consumption (diesel)	4,685.02	5,886.30	311.34	229.11	4,996.36	6,115.41	GJ
Energy consumption (bunker fuel)	0.00	0.00	37,733.07	48,555.167	37,733.07	48,555.167	GJ
Energy consumption (electricity)	5,022,416.01	6,568,656	222,066	241,560	5,244,482.01	6,810,216	kWh
Energy consumption (gasoline)	29.32	0.00	8.73	27.03	38.05	27.03	GJ
Energy consumption (LPG)	0.00		0.00		0.00		

Reduction of energy consumption

Disclosure	Quantity						Units
	BGO		ILP		Total		
	2023	2022	2023	2022	2023	2022	
Energy reduction (kerosene)	1,122.75	489.7	0.00	0.00	1,122.75	489.7	GJ
Energy reduction (diesel)	1,448	665.14	0.00	60.14	1,448	725.28	GJ
Energy reduction (bunker fuel)	0.00	0.00	10,822.10	0.00	2,738.8	0.00	GJ
Energy reduction (electricity)	1,546,240	128,057	19,494	0.00	1,565,734	128,057	kWh
Energy reduction (gasoline)	0.00	0.00	18.30	0.00	35.78	0.00	GJ
Energy reduction (LPG)	0.00		0.00		N/A		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship) Except for a minimal increase in the utilization of gasoline (+29%), all other energy consumption went down in 2023. The delay in the delivery of imported parts needed for the repair of mining and milling equipment resulting in low mechanical availability has contributed to the reduction of energy consumed in 2023. There was a delay in the development of the underground workings due to the low mechanical availability of equipment that resulted in the slowdown of milling operation due to the lower extraction and delivery of ore. Considering the slowdown of the operation, the Company continuously observes the energy conservation guidelines. Please refer to the following: Appendix "A"– EMS Document # EMSG06 (EMS Guidelines on Power Conservation)	*(e.g. employees, community, suppliers, government, vulnerable groups)* Operations – power cost is a significant cost driver in gold operations. Small-scale miners (SSM) – The Company monitored the disconnected illegal connections by SSM to eliminate pilferage of electricity. An increase in milling charges due to the increased cost of electricity and fuel/oil affected the operation of mining contractors. Employees – home activities of employee dependents are affected by the energy conservation measures being implemented.	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* Safeguards in the following measures to be sustainable: Conduct regular energy level monitoring/ reports. Schedule regular follow-up of the delivery of mechanical parts and supplies. Submission of regulatory reports on energy consumption to Mines and Geosciences Bureau and Environmental Management Bureau. Maintain BC Program on energy conservation. Disconnection of illegally connected power lines by small-scale miners. Regular monitoring is implemented to prevent reconnection. BC–BGO has been re-certified ISO 14001:2015 (by NQA) as proof of commitment to make operations aligned with international environmental and safety standards that include energy conservation.

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Identify risk/s related to material topic of the organization • Price of fuel and oil - The fluctuating world market price of diesel and bunker fuel has affected the overall operating cost and the profitability of the operation. • Ore grade - The low grade of ore from the mining operation has affected the milling cost. • Pilferage of processed and unprocessed ore - stealing of processed/loaded carbon has contributed to income loss. • Misappropriation – inappropriate target/goal setting affected the revenue projection.	BC Operation Suppliers of fuel & oil Employees/miners Community	BGO follows a strict set of environmental standards in the conduct of its operation to monitor power consumption and utilization. To be sustainable, there is a need to strictly implement the following: • Energy level monitoring; • Strengthen security measures and surveillance of mine and mill workers/employees; • Close monitoring of production vs budget and revise projections when necessary; • Submission of regulatory reports on energy consumption; • Conduct regular Preventive Maintenance Schedule on equipment and vehicles; and • Conduct regular monitoring of small-scale miners' operations in the area and implement immediate disconnection of illegally connected power lines.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization. Cost savings initiatives are being implemented across the value chain to become the least-cost producer as well as achieve greener, cleaner operations. Developed a better understanding of the mine and mill operations process flow and coordination with	Community LGU	Continuously monitor its power consumption and check areas that can be subjected to power adjustments. The company maintained reducing power consumption in its industrial areas by shifting to energy-efficient motors and lighting fixtures for a cost-reduction program.

security, mill, and mine managers that will improve relationships among department heads in the prevention of pilferage of commodities.		Shared electricity rates through graduated increased milling charges to contractors.

Water consumption within the organization

Disclosure	Quantity						Units
	BGO		ILP		Total		
	2023	2022	2023	2022	2023	2022	
Water withdrawal							
Industrial	61,860.54	113,241.83*	481	447	62,341.54	113,688.83	Cubic meters
Domestic	**7,131.60**		**200**	170	7,331.60	170	
Water consumption							
Industrial	61,860.54	113,241.83*	481	447	62,341.54	113,688.83	Cubic meters
Domestic	**7,131.60**		200	170	7,331.60	170	
Water recycled and reused	0.00	106,057.55	0.00	0.00	0.00	106,057.55	Cubic meters

**Combined industrial and domestic figures*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* Water is an essential input to the mining operations of BC-BGO. The Company monitors the impact of the operation on the adjacent river systems and downstream communities to ensure that these are maintained at minimum levels for equal access to water sources by various stakeholders. The Company sourced its industrial water from its old underground mine tunnel located at L-2000, Acupan, Virac, Itogon, Benguet with water rights Permit No. 16154 issued by the National Water Resources Board (NWRB). The potable water is sourced from a natural spring owned and maintained by a private individual for his water delivery business. The Company engaged the service of the owner to supply and deliver potable water for employees' consumption at a fixed rate per drum. Domestic water for ILP operation is supplied by the Baguio Water District (BWD) while the industrial water is supplied by a private individual who sourced the water from the natural spring permitted by the government for his water delivery business and paid at negotiated cost per cu. Meter.	*(e.g. employees, community, suppliers, government, vulnerable groups)* The affected stakeholders are as follows: Company – has 24/7 access to water supply from its underground mine tunnels for industrial use. BC-BGO employees, contractors/service providers – have access to safe potable water within the mine site. Host, and neighboring communities – have free access to water sources present in the area since the Company source and utilize its water internally.	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* Access to water is a basic human right as it is a shared resource of high economic, environmental, and social value. Considering that its operation is dependent on the free-flowing water from the Company's underground mine tunnel and for the continuous water recharging of the aquifer, it developed a strategy through an intensified watershed development and management by implementing a reforestation program on denuded and sparsely vegetated areas within and outside the Company's mining claims. This activity is included in the Annual Environmental Protection and Enhancement Program. Streamflow measurement and water quality monitoring is done quarterly. *Please refer to Appendix "B" – Certificate of Approval of Annual Environmental Protection and Enhancement Program (AEPEP)*

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Identify risk/s related to material topic of the organization The identified risks are as follows: The water quality for domestic use may be compromised if good housekeeping is not properly observed by the miners working underground. With the increase in population and business establishments in the area, it is expected that water demand will double. It is anticipated that water from some of the springs will dry up during summer which will cause high domestic water competition in price and volume. There is high water competition with illegal small-scale miners during the dry season due to their ball milling operation.	*(e.g. employees, community, suppliers, government, vulnerable groups)* BC-BGO employees, contractors/service providers, community residents.	***What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*** The company will continue to support a range of projects that offer sustainability co-benefits, including support for local communities' biodiversity conservation, and watershed rehabilitation. The Company's Mining Forest Program is a shared responsibility with the community while the government monitors the implementation of the program. The Company continues to engage with its host and neighboring communities for an uninterrupted partnership in the protection of the reforested areas to increase the water yield of the aquifer.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization The BGO & ILP operations tremendously decreased water withdrawal and industrial water usage in 2023 by 55% or 51,381 cu.m. due to reduced milling of ore. The overall water usage including ILP operations was 55% or 51,347 cu. m. The intensified watershed development in the area has provided additional livelihood opportunities to the IPs through contract reforestation, seedling propagation, plantation maintenance, and forest protection activities.	BC-BGO employees, contractors/service providers, community residents	***What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*** Engagement with the stakeholders by providing livelihood opportunities, like seedling propagation, tree planting contracts, and maintenance of previously established reforestation areas, will improve the relationships and empower the community on forest rehabilitation.

There is an abundant volume of domestic water from the Company's underground source that has the potential for business development to supply bulk water needs of the surrounding communities.		The enhanced forest cover of the mining claim through intensified tree-planting activities will increase the water yield of the springs and lower the atmospheric temperature in the area. The Company may consider developing the water source from the Company's Acupan underground as a potential business opportunity to supply bulk water for Itogon and Baguio City.

Materials used by the organization

Disclosure	Quantity						Units
	BGO		ILP		Total		
	2023	2022	2023	2022	2023	2022	
Materials used by weight or volume							
Renewable (identify) – lumber, paper, sawdust, flour	333,767.25	383,182.47	73	118 (paper)	333,840.25	383,300.47	kg/liters
Non-renewable - lubricants, motor oils, bunker fuel oil, diesel oil, kerosene, dynamite explosive, sodium cyanide, nitric acid,	635,258.66	1,012,721.12	1,112,185.26	1,190,768 ltrs.	1,747,443.92	2,203,489.12	kg/liters

ammonium nitrate, sodium hypochlorite, hydrochloric acid, activated carbon, lime and sulfuric acid, caustic soda, hydrochloric acid, nitric acid, etc.							
Percentage of recycled input materials used to manufacture the organization's primary products and services. Note: Only sawdust was used for firing carbon ash while papers are recycled for printing internal reports and memos.	0.09% (Saw Dust)	0.04% (sawdust)	100 73 (paper)	100 180 (paper)	100 73 (paper)	0.32	% Kgms.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* The underground mining operation is utilizing mine timbers as support in the tunnels. All mine timbers delivered by the Company supplier is covered by a certificate of lumber	*(e.g. employees, community, suppliers, government, vulnerable groups)* BGO mine and mill employees, community, suppliers and Irisan Lime Project employees and its surrounding residential areas. Employees of the mining contractors.	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* The underground workings/tunnels are supported by square-set mine timbers to provide safe working conditions for the mine workers. Pre-cast concrete columns are the alternative mine support,

origin issued by DENR to make sure these are sourced legally. Wood wastes and other renewable materials are recycled for other beneficial uses. Explosives are used underground to open new areas for mining development. The permit for the explosives is issued by the Firearms and Explosives Unit of the Philippine National Police in Camp Crame. For BGO, there was a reduction of 13% or 49,415.22 kg of renewable materials while ILP had a reduction volume of 38% or 45 kg. There is an overall reduction in the utilization of renewable materials by 12% or 49,460.22. In parallel, the non-renewable materials (chemicals) also BGO had a large volume reduction of 37% or 377,462.46kg due to reduced milling operation of ore. The ILP operations incurred a reduction of 7% or 78,046.88kg due to the low lime requirements of farmers and mining in other areas. The overall reduction of non-renewable for both BGO and ILP was 21% or 456,045.20kg.		but the cost is expensive and may not last especially on heavy grounds and acidic underground. BC-BGO is committed to continuing to explore other alternative materials as substitutes for mine timber for underground support without sacrificing the safety of mine workers. This is part of the Company's sustainability commitment to minimize the use of timber resources. Forest plantations will be part of the Company's sustainable commitment to environmental enhancement in its area of operation. It encourages suppliers of mine timber to participate in the reforestation program of the company and the government. In compliance with BC-BGO's commitment and its concurrence to the standards set in its ISO 14001:2015 certification, the company strictly adheres to the standards set by the regulatory agencies (DENR-EMB) on proper recording and labeling of renewable and non-renewable materials in accordance with R.A. 9003 (Ecological Solid Waste Management Act) provisions.

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Identify risk/s related to material topic of the organization. Identified risks are as follows: • Timber resource – depletion or shortage of wood resources (lumber, paper, sawdust). • Environmental risks – non-renewable materials will contribute to air and water pollution and health hazards if not properly handled and disposed. • The safety and health of employees directly and regularly exposed to non-renewable materials are at risk. • Utilizing large quantities of non-renewable inputs drives the cost of production, pushing margins in an already highly commoditized market. • Accidents due to fly rocks, loss of hearing (noise pollution), and air pollution from dust due to blasting is a potential risk if not managed properly. *Please refer to the following:* *Appendix "C" and "C-1" – (DRCS - 09) Summary of Risks and Opportunities* *Appendix "D" – EMS Document # EMSG-03 (EMS Guidelines on Diesel, Oil and Grease Hauling, Transport and Storage)* *Appendix "E" – EMS Document # EMSG - 12 (EMS Guidelines on Contaminated Water)*	Underground employees/miners/blasters; Employees at the motor pool area, mine and mill mechanical shops; Communities adjacent to the operation.	***What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*** Management will focus on the following approach to minimize risk: • Monitor implementation of ISO 14001:2015 objectives, targets and performance vs. audit reports • Implement hazardous materials storage, handling, waste/tailings management monitoring, and health, safety, and well-being for greater protection of workers. • Continue regular quality monitoring tests and submission of reports to regulatory agencies for validation of results following DENR Standards. • Monitor the strict implementation of the Annual Environmental Protection and Enhancement Program. • Provide complete Personal Protective Equipment (PPE) to employees. • Conduct regular safety lectures, meetings, and pep talks before deployment in assigned working areas to remind workers of safety protocols in the underground mining activities and proper handling of chemicals at the mill.

What are the Opportunity/ies Identified?	Which stakeholders are affected?	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Identify the opportunity/ies related to material topic of the organization. The following opportunities were identified in relation to the utilization of renewable and non-renewable resources: • Sawdust is being recycled for firing carbon ash while used paper is recycled for printing internal reports and memos. • Continuous improvement in mining technologies and innovations and how it can benefit from renewable sources of energy throughout the stages of operation. • BGO's logistics and support services, on the other hand, utilize renewable materials such as wood and used packing materials (cartons or box containers made of cardboard). • Better planning and forecasting of usage of non-renewable materials in relation to programmed procurement systems can lead to cost efficiencies of the operation.	Residents in the surrounding communities stand to benefit from cleaner air and water. • Employees – exposure to less quantities of non-renewable materials will be healthier and safer • Operations – cost efficiencies will deliver better profit margins without incremental damage to the environment.	Safety lectures and work briefings before deployment to assigned working areas. Continue to monitor the usage of non-renewable materials to attain reduction year over year without sacrificing production. Implement materials storage, handling, management, monitoring, and disposal of waste/tailings. Continue regular submission of reports to the regulatory body on the use of regulated chemicals. Regular water quality monitoring to ensure water is free from contaminants that are hazardous to human and animal health.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity		Units
	BGO	ILP	
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Crosby Park – 11.0 Has. Virac Timberyard – 6.0 Has	Plantation = 3,711 sq.m. with coffee, pine trees, lemon, alnus, gmelina, Ipil-ipil, bamboo, and guava.	Ha.
Habitats protected or restored	0.00	-	Ha.
IUCN[4] Red List species and National Conservation List species with habitats in areas affected by operations	0.00	-	Ha.

[4] International Union for Conservation of Nature

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship) For the year 2023, the company continuously maintained and protected the established Crosby Forest Park (man-made forest as support to watershed development of the Company) inside its mining property with a total area of about 13.0 hectares. Enrichment planting is a continuing activity being conducted in areas with sparsely growing trees to provide more green in their surroundings. The tree density is estimated at 352.55 trees per hectare. The families of employees and visitors from other areas visit the Park, enjoying the scenery and do camping. In addition to the Forest Park, the company also implemented a reforestation program within and around its mining claims in compliance with its environmental enhancement program. For the year under report, a total of 6.0 hectares was planted with various forest tree species and bamboo. Overall, the total plantation area that BGO has maintained over the period of 17 years, consists of 800.0 hectares. Likewise, Irisan Lime Project has continuously maintained a total of 3,711 sq. m. of plantation area. Protection and maintenance of the established plantation was the focus in 2023.	*(e.g. employees, community, suppliers, government, vulnerable groups)* Employees and families – benefit from using the Crosby Park Contractors and laborers of the reforestation project. Community residents – inhaling pollution-free and fresh air.	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* Continue to undertake care and maintenance of the forest park – included in the Environmental Work Program of BC-BGO. The company hired a caretaker from the community to protect and maintain the established forest park. Conduct regular foot patrol by BC's Claims Protection Team to avert illegal activities in the area. Intensified reforestation and forest protection program as included activity in the AEPEP.

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Identify risk/s related to material topic of the organization Illegal cutting of trees and squatting. Illegal cattle grazing. Forest / bushfire	Employees and nearby residents	Intensified forest protection activities in the area. Conducted regular foot patrol by BC's Claims Protection team to avert illegal activities in the area, particularly by squatters/SSM.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization. The established Crosby Park serves as an ecological tourism park as well as biodiversity enhancement and conservation. Likewise, reforested areas inside and outside of the Company's mining claims serve as watershed areas of the Company, the communities within the surroundings, and restoration of open and abandoned areas. The reforestation activities provide employment opportunities to interested families or community associations through seedling production, plantation establishment, and forest protection.	Employees and the host and neighboring communities.	Continue to maintain the park through enrichment planting and forest protection activities by involving the residents in the area. Continue to partner with the residents near the reforestation areas on the protection of the established plantation and prevention of illegal activities like tree cutting and small-scale mining.

Environmental Impact Management

Air Emissions

GHG

Disclosure	Quantity						Units
	BGO		ILP		Total		
	2023	2022	2023	2022	2023	2022	
Direct (Scope 1) GHG Emissions (Diesel fuel, Gasoline, Kerosene, Bunker fuel)	537	702.262	2,992	4,333.098	3,529	5,035.36	Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions (electricity)	1,422	1,859.38	63	68.38	1,485	1,927.76	Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)	0.00	0.00					Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) For 2023, total GHG emission Scope 1 is 30% lower vs. 2022 while Scope 2 is 23% lower vs 2022. GHG emission (Scope 1) of BGO is 24% lower in 2023 compared to 2022 due to the lower mechanical availability of mine and mill equipment. With reduced tonnage milled, GHG emission Scope 2 was also down to 24% in 2023. The Irisan Lime kiln operation decreased its diesel and bunker fuel consumption due to the low lime requirements of clients resulting in the operation of only 1 kiln, hence, GHG emission Scope 1 & Scope 2 is down by 31% & 8% respectively.	*(e.g. employees, community, suppliers, government, vulnerable groups).* Employees and their families Community / IP's Suppliers	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* Identify other sources/areas to reduce GHG emissions and establish measures to minimize emissions. The horsepower of air conditioning units should be evaluated to reduce the cooling capacity per floor area of the office. A regular preventive maintenance program of diesel-run motors and other equipment to improve efficiency.

Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)		
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization. The risks identified are as follows: A. Lime Kiln Operation • Prolonged exposure of kiln operators to heat is a health risk; • Inhaling of dust from feed materials and fumes during start-up operation by kiln operators. B. Underground Mining Operation • Breakdown of the air compressor machine/equipment may result in suspension or slowdown of underground mining operations. • Poor ventilation may slow down the performance of miners and reduce production. • Poor ventilation will result in carbon monoxide poisoning coming out from the diesel-run locomotive will affect the health and safety of underground miners and may cause fatality to underground miners.	. Employees - The health of employees is affected which will result in a reduced workforce. Company - reduced ore tonnage	Implement regular preventive maintenance programs for the machines and equipment. Record the running hours of equipment for monitoring purposes and schedule preventive maintenance. There should always be available spare parts in the warehouse in case of mechanical breakdown of the equipment.

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Identify the opportunity/ies related to material topic of the organization. Minimized emission of carbon monoxide from equipment (Scope 1 – GHG) due to the reduced consumption of diesel fuel, gasoline, kerosene, and bunker fuel, both in BGO and ILP operations. Increased production and sales of kiln products and improved revenue.	Employees of the company and mining contractors. Residents residing in the camp.	Stronger, effective, and efficient coordination among heads of operation and company executives gives a good account of addressing challenges in the operation. Regular preventive maintenance program of all equipment and machinery to minimize downtime and increase operating efficiency. Maintain records of running time of pieces of machinery and equipment to check wear and tear of parts.

Air pollutants

Disclosure	Quantity				Unit
	BGO		ILP		
	2023	2022	2023	2022	
NO_x Stack emission Ambient	143 8.20	72.5 23.67	132.9,82.20 9.0,9.0,5.33	Kiln 1 =92.4 Kiln 2=102.5 to 148	Mg/Nm3
So_x Stack emission Ambient	10.81 11	8.00 11.27	9.6,38.3 0.86,0.85,0.71	Kiln 1 =25.4 Kiln 2=118.9 to 154.0	Mg/Nm3

Carbon Monoxide (CO)	0.00	0.00	0.00	Kiln 1 = 69.1 Kiln 2 = 73.3 to 146.8	mg/Nm^3
Persistent organic pollutants (POPs) e.g. PCB's, PFOs; Biphenols; Pthalates: Atrazine (herbicide)	0.00	0.00	0.00		kg
Volatile organic compounds (VOCs) Propane, butane	0.00	0.00	0.00		kg
Hazardous air pollutants (HAPs) (Lead)	0.002745	0.00	0.00		kg
Particulate matter (PM10)	4.67	5.75	9.3,49.7	Kiln 1 =46.8 Kiln 2 = 6.5 to 11.0	mg/Nm^3
CO Stack emission	0.00		133.2,105.4		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*. Cognizant of the impact of mining operations on the environment particularly on-air quality, the company is very aware of its consequences but equally aware of managing it properly. The identified major sources of air pollution are as follows: 1. Generation of dust during mining development caused by blasting; 2. Generated fumes at the mill operation during gold smelting where chemicals are added to separate gold from other impurities; and	*(e.g. employees, community, suppliers, government, vulnerable groups)* BC-BGO - Employees/workers, community. ILP - Employees, community/neighbouring Puroks of the Plant	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* The implementation of the following procedures/mechanisms is being monitored: • Conduct regular air quality monitoring by EMB-accredited third-party environmental engineering services. • Reduced dust pollution through a dust suppressor system using air and water to act as suppressors.

3. ILP operation – Kiln plant operation and generation of dust along access road. Poor air quality will impact on the health of the employees and the community residents living near the mining operation. During the period under report, the ambient air quality sampling and source emission monitoring within the established sampling sites at BGO was conducted on July 4, 2023, and the result on July 26, 2023, by Greentek Environmental Philippines, Co. *Note:* BC-BGO - The air quality performance during the period under report is within the National Standard on air pollutants. The noise levels as well in the 3 stations are within the applicable DENR daytime limit of 70dBA. Both are shown in the reports. (Source Emission Test Report and Ambient Air Quality and Noise Level Monitoring Report) of the Greentek Environmental Philippines, Co. ILP - Results/volume of pollutants in the Plant site is within the DENR Standards based on the monitoring report conducted by EMB accredited party, BERKMAN SYSTEMS, INC. *Please refer also to Appendix "F" - Report Certification of Greentek Environmental Engineering Services on Source Emission Test Result and* *Appendix "G", "G-1" and "G-2" - Ambient Air Quality and Noise Monitoring Report of Greentek Environmental Engineering Services*		• Regular system maintenance of underground ventilation machines and blowers to ensure suppression of dust during blasting activity. Provide respirators in the different underground working areas for ready use by employees when needed. • Follow protocols on proper management, storage, use, and handling of chemicals and reagents.

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach

Identify risk/s related to material topic of the organization. The exceedance of pollutants in the atmosphere will cause health hazards to employees and residents of communities living nearby that may lead to the filing of complaints to concerned government regulatory agencies against the operation of the Company (BGO and ILP). Dust and acid fumes exceeding DENR standards are health hazards that may lead to or cause the suspension or even stoppage of operation.	Employees/workers, adjacent communities ILP - community/ residents of direct impact areas (Purok 10 and 11; employees	The following management approaches are being monitored: • Conduct regular air monitoring to determine the quality of air within the industrial and residential areas. • Follow protocols on proper management, storage, use, and handling of chemicals and reagents. • Enhance the mitigating measures of air pollution employed or introduce better air pollution mitigating measures.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization. Employees gained environmental awareness and the Company commit to sustain good air quality in its surrounding environs. With the availability of various anti-pollution devices and advanced technologies, employees were trained on the proper operation, handling, and maintenance of anti-pollution devices/equipment to mitigate air pollution and avoid violation of the provision of R.A. 8749 (Philippine Clean Air Act and its IRR: DAO No. 2000-81). Employees were trained on proper handling and use of chemicals and reagents to avoid exposure/accidents at the workplace.	Employees/ workers, community	Continue training employees and workers on the observance and compliance of protocols on environmental laws and Company policies. Follow protocols for proper management, storage, use, and handling of chemicals and reagents. Maintain the established guidelines on air pollution control/mitigating measures and conduct regular PMS of vehicles and equipment.

The Company is compliant with RA 8749 and ECC conditionalities following the strict implementation of pollution prevention measures. The results of air emission tests are within the DENR allowable standards.		

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity						Units
	BGO		ILP		Total		
	2023	2022	2023	2022	2023	2022	
Total solid waste generated	391,226.20	350,579.20	1,152.50	1,318.5	392,378.7	351,897.7	kg
Reusable (Sawdust, Paper)	411.96	235.20	176	132	587.96	367.2	kg
Recyclable (used sacks, cartons, pet bottles, cans)	6,606.20	30,064.00	131	380.5	6,737.20	30,444.5	kg
Composted	-	0.00	0.00	0.00	0.00	0.00	kg
Incinerated	N/A	0.00	0.00	0.00	0.00	0.00	kg
Residuals/Landfilled	384,660.00	320,280.00	845.50	806	385,505.50	321,086	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Residents in camps and concession stores are the major source of residual waste. The total volume of solid waste collected for both BGO and ILP increased by 10% or 40,481kg and 98% or 385,505.5kg of the collected was delivered to the landfill facility while 2% or 6,873.2kg fell either under reused or recycled. For BGO, its solid waste generated increased by 10% or 40,647kg, its reused increased by 57% equivalent to 176.76kg while recycled decreased by 22% or 23,457.8kg, and transported to landfill increased by 17% or 64,478kg. For ILP, its total solid waste generated increased by 13% or 166kg, its reused increased by 7% or 44kg while its recycled decreased by 34% or 249.5kg, and transported to landfill increased by 5% equivalent to 39.5kg. This is the result of a persistent information campaign on the provision of R.A. 9003 or the Ecological Solid Waste Management Act (ESWMA) and the regular collection of garbage in the camp is maintained. Increased awareness of the provision of ESWMA is now a culture that was developed among the residents. *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* The following practices are being implemented:	*(e.g. employees, community, suppliers, government, vulnerable groups)* Employees of Benguet Corporation and workers of solid waste/residual waste hauling contractor. Owners of concession stores.	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* Strict compliance of the provision of R.A. 9003 (Ecological Solid Waste Management Act) and its IRR – DAO No. 2001-34 Practice strictly the waste segregation at source. The Mine Environment Protection and Enhancement Officer (MEPEO), in collaboration with the Camp Administration personnel, shall continue regular monitoring of Company policy on waste labeling and disposal. Remind hauling contractor to provide enough PPE to their workers and regularly check hauling permits and health of workers. Proper sorting of wastes and proper disposal of waste materials in each labeled garbage bin is being practiced in the offices and residential areas.

• Proper waste management is part of the Company's good housekeeping practices. • Scraps are collected and hauled to a designated depository area or scrap yard every first and last hour of each shift. • The Company practices segregation at source and encourages the recycling of materials which are sorted and sold to DENR-accredited solid wastes and recycling contractors thus resulting in the reduction of solid wastes generated. • Generated solid waste/residual waste is disposed of by a contractor in a sanitary landfill located outside of the Region, hence, it has no impact on the mining operation. • The Company established a Material Recovery Facility (MRF) to store recyclable waste. Separate waste bins for biodegradable waste materials are in place to convert into other uses (fertilizer, etc.). These facilities are being operated and maintained throughout the year.		

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Identify risk/s related to material topic of the organization. Failure to collect and dispose of solid wastes on time by a commissioned hauler will result in the accumulation of solid wastes and may generate unsanitary and foul odor which may affect the health of workers and the adjacent communities. Complaints by employees and residents for uncollected garbage in violation of the provisions of R.A. 9003 will be subject to sanctions by regulatory agencies. Health and safety risks to workers of hauling contractor. There is a possibility of water pollution if wastes are not properly managed and collected.	Workers of solid waste/residual waste hauling contractor Employees of the Company Community	Strengthen information campaign on the provision of R.A. 9003 to all residents in the camp. Reprimand hauler if provisions on the contract are not being followed. Stipulation in the contract includes, among others, the issuance of complete PPE to workers. Availability of hauling permits. Proper sorting of solid wastes disposed of in each labeled garbage bin.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization Additional income for residents on the sale of recyclable materials (plastic bottles, scrap materials, cartons, etc.). A highly sustained clean environment translates to environmental compliance by the company. The Company is compliant with the provision of the Ecological Solid Waste Management Act (RA 9003) and its Implementing Rules and Regulations, DAO No. 2001-34. Well-kept and litter-free surroundings are a better community to live in.	Company Hauling contractor Employees	Continue to maintain a beneficial relationship with the hauling contractor to avoid violations of environmental laws and regulations. The company has its own MRF within the industrial area as well as its own centralized hazardous waste storage area.

Hazardous Waste

Disclosure	Quantity						Units
	BGO		ILP		Total		
	2023	2022	2023	2022	2023	2022	
Total weight of hazardous waste generated: Type of waste generated – ➢ Mill tailings ➢ Other hazardous waste (lead compounds, busted fluorescent lamps, non-halogenated organic chemicals, clinical waste , oil contaminated materials, Waste electrical and electronic equipment, Mercury and mercury compounds)	28,520.32 28.848	47,180.51 6,293.71	61.65	74.48	28,521.97 28.848	47,254.99 6,293.71	MT. MT.
Total weight of hazardous waste transported	0.00	7,040.00	0.00	84.98	0.00	7,124.89	Kg.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Mill tailings is the product from milling the gold-bearing mineral ore to produce said precious metal. The tailings are impounded in the ECC-approved Tailings Storage Facility (TSF) that serves as a treatment facility. *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business*	*(e.g. employees, community, suppliers, government, vulnerable groups)* Employees of BC-BGO, and ILP Employees of mining contractors and hauler	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* A DENR-EMB accredited third-party service provider was engaged to dispose the hazardous waste outside the Company facilities. Proper labeling is done prior to

relationship) The impounded tailings contain chemicals like cyanide. If the treatment facility is not properly managed and maintained, soil and water contamination may develop. Other hazardous wastes (acids, alkali, and organic waste from assay laboratory; organic solvent wastes such as used oil, grease, etc.; are properly labeled and stored in a hazardous waste storage area before hauling for disposal by an Environmental Management Bureau (EMB) -accredited hauler of hazardous waste. Based on records, there is no hazardous waste hauled/transported outside of the Company facility for this reporting period but the company has maintained its engagement with the EMB-CAR accredited third-party service provider contracted for this purpose. For the reporting period, mill tailings decreased by 40% equivalent to 733 MT due to low milling of ore by both BGO and ACMP. Other hazardous waste was down to 99.96% equivalent to 6,264.862MT. The same with the ILP operations, waste materials reduced by 17% or 12.83 metric tons due to the reduction in demand of lime products from the clients.		hauling. This is part of sustainability compliance to ensure proper management and disposal of hazardous wastes at the site and comply with regulatory requirements.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization.		

Potential environmental risk like water contamination of the Ambalanga river can happen if the Company does not strongly follow proper waste management protocols inside the industrial area. Siltation along the river system due to deposition of non-toxic tailings or sediments caused by accidental tailings leaks is a potential environmental risk. Health hazard if not properly managed. Violation of R.A. 9275 provisions (Philippine Clean Water Act of 2004) and its IRR, DAO 2005-10, will cause suspension of the operation or cancellation of the Environmental Compliance Certificate (ECC).	Employees of BC-BGO, BC-CHQ and ILP Employees of mining contractors	The Company is guided by its strong commitment to abide by its Environmental Policy and compliance with the Environmental Management System and government environmental laws, rules and regulations. Continuous monitoring of the anti-pollution structures, regular repair and maintenance of penstocks and spillways and strengthen tailings dam embankment (engineering intervention). The Company posted security personnel at the TSF area to secure the facility from intentional damage to the structure by outsiders. ***Please refer to Appendix "H" – EMSG-07-A (EMS Guidelines on Hazardous Waste Management – Used Oil, Oil and Grease Contaminated Items)***
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization. The Company demonstrate corporate responsibility by adhering to established protocol on waste management and environmental quality monitoring (R.A. 9003 and R.A. 9275), EMS Guidelines on Hazardous Waste Management *(Appendix "I")*, and Environmental Compliance Certificate provisions.	BC-BGO/ACMP, BC-CHQ and ILP employees Employees of mining contractors Suppliers Community.	Management awareness and compliance to the Code of Business Conduct and Ethics which provide among others, adherence to the provisions of environmental laws, rules and regulations for the operation's key to sustainability.

		Please refer to Code of Business Conducts and Ethics link http://benguetcorp.com/wp-content/uploads/2020/06/E.-Code-of-Conduct-of-Business-and-Ethics.pdf

Effluents

Disclosure	Quantity	Units
Total volume of water discharges Effluent discharge from the mill	61,860.54	Cubic meters
Percent of wastewater recycled.	0.00	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Water contamination from hazardous substances will likely affect the water quality of the river system along Ambalanga and Batuang rivers. This event will impact the downstream community and the aquatic resources along the water ways of the river tributaries. *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* The effluent discharge from the Tailing's Storage Facility, serving as the water treatment facility and the filter drain will contaminate and may affect the quality of water of the Ambalanga river if not managed and maintained properly.	*(e.g. employees, community, suppliers, government, vulnerable groups)* The Company; Employees; Community	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* The following are measures that were implemented to mitigate the impacts: • The company treats the wastewater through detoxification with sodium hypochlorite;

For Year 2023, BGO operations have lower water discharges from the mill by 58% or 44,197.01cum. as against the 2022 discharge of 106,057.55cum. The decrease is attributable to the lower ore milled.		• Conducts water sampling at the established sampling stations downstream to monitor the quality of water; • Maintains underground drainage system and canals to drain run-off water; • Maintains oil water separator and conducted regular clean-up of canals/drains and check-up of discharge valves, pipes and connections; • The company adheres to the provisions of R.A. 9275 (Philippine Clean Water Act) and conditions set forth in the Environmental Compliance Certificate (ECC). *Please refer to Appendix "I" – Photocopy of Environmental Compliance Certificate*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization Risks identified are as follows:	The Company; Employees;	• Observe proper maintenance of the Tailings Storage Facilities and other appurtenant structures and

• Complaints from the farmers/residents downstream of the Tailing's Storage Facility (TSF); • Deprived farmers/residents of the downstream community of their livelihood; • Fish kill; • Water contamination will result to suspension of operation, and; • Suspension of permit/ECC, and/or imposed monetary penalties	Community	implement mitigating measures to prevent accidental wastewater discharge/leaks. • Assessment of improvement downstream - keep database of all improvements for future reference. • Strict enforcement and compliance with the provisions of environmental laws & policies and the ECC.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization • Employees awareness of the importance of responsibility & accountability in Environmental Management. • Application of new technologies to process wastewater to eliminate or reduce toxicity before discharge.	Employees, community residents; Mines Environmental Protection and Enhancement Officer; Pollution Control Officer.	Top management demonstrates leadership and commitment with respect to the Environmental Management System (EMS) of the Company by ensuring: • that the environmental policy and objectives are compatible with the strategic direction of the Company; • the integration of the Environmental Management System into the organization's business processes through identification of risks/impacts and addressing corresponding risks and opportunities;

		• the availability of resources needed for the implementation of Environmental Management System; • that communication takes place among all interested parties on the importance of effective Environmental Management and in conformity to Environmental Management System requirements through meetings and consultations; • that the Environmental Management System achieves its intended output(s), specifically those required in the ECC, AEPEP, ASDMP and EPRMP; • the promotion of continual improvement of environmental management through the system of internal audits and reporting/analyzing incidents and applying corrective actions to prevent recurrence; • that support in terms of resources is readily available to demonstrate relevant

		management roles and leadership in environmental management areas; • that adequate trainings are provided to the Mines Environmental Protection and Enhancement Officer (MEPEO), Community Relations Officer (CRO), Pollution Control Officer (PCO), Environmental Management Representative (EMR) and members of the EMS Audit Team.

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations No fines or penalty for violations committed against any provisions of environmental laws, permits and licenses that have been assessed or determined with finality during the period under report (2023).	0.00	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0.00	#
No. of cases resolved through dispute resolution mechanism	0.00	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* The operation of Benguet Corporation, as partner of the government in environmental protection, abides by all provisions of mining and environmental laws and regulations. All regulatory requirements are complied, submitted and approved by concerned government agencies. Environmental and social programs are being implemented, compliance is being monitored and certificates of compliance were issued by the respective government agencies.	*(e.g. employees, community, suppliers, government, vulnerable groups)* The Company employees, service contractors, suppliers, investors, community, local and national government, other stakeholders.	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* The Company will keep up its good record by continuously conforming with the conditions of all its permits and licenses and to pursue its obligation as a responsible mining company. Environmental safeguards are in place to mitigate or eliminate risks. BGO formulated its environmental policy striving for excellence in mineral resources development.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization Failure of the Company to submit compliance reports on time and delay in or non-implementation of the work program stated in the approved Annual Environmental Protection and Enhancement Program (AEPEP), Annual Social Development and Management Program (ASDMP) and Annual Safety and Health Program (ASHP) may lead to issuance of penalties.	Benguet Corporation, employees, service contractors, suppliers, investors, community, local and national government, other stakeholders	• Continuous implementation of rehabilitation work program to eliminate risks during rainy season. • Preventive maintenance of Tailings Storage Facilities and all pollution control structures to eliminate environmental risks.

Non-compliance to the relevant environmental laws, rules and regulations have its respective penalties.		- Monitoring the effectiveness of the established environmental mitigating / management measures. The Company's Multipartite Monitoring Team in each operation will also assess and validate the company's compliance with the relevant environmental standards. - Timely submission of accomplishment reports in accordance with the guidelines on submission of compliance reports and other obligations to the government. *Please refer to link -* http://benguetcorp.com/wp-content/uploads/2020/06/O.-BC-Internal-Audit-Charter.pdf *BenguetCorp's Internal Audit Charter – Defining the Scope of Work of the Internal Audit Office (IAO) – Item II, #7-9, p.1 and Detailing Responsibility of IAO – Item V, # 4-6 p. 2 of the Charter.*

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Identify the opportunity/ies related to material topic of the organization There are no violations of any government laws, rules and regulation resulting in smooth operation. Improved production due to continuous mining and milling operation (there are no operation stoppage or suspension issued). Proactive attitude by the Company in addressing unfavorable situations caused by operational failure or infirmities. Company awareness in compliance to environmental laws, rules, policies and compliance to Social Development Programs of the Company.	Management, employees, mining contractors, stakeholders	• Re-assess and evaluate physical conditions ofall pollution control structures and further intensify regular monitoring of all facilities to ensure safe operation and compliance with environmental policies and programs of the operation. • Conduct regular Information, Education and Communication (IEC) to all stakeholders on the different aspects of mining operation and environmental policies. • The Environmental Protection and Enhancement Program (EPEP) is proof of the Company's commitment to protect the environment and to observe Responsible Mining that would maintain productive use of land and water resources for future generations. • As a socially and environmentally-conscious Filipino Company striving for excellence in mineral resource development, BC is committed to continuously

		improve its operations to minimize adverse environmental impact by complying with all applicable policies, laws, rules and regulations while at the same time promoting environmental awareness among its workers at all levels. Please refer to Appendix "J"– Summary of Status of Regulatory Compliance Performance for C.Y. 2022

SOCIAL

Employee Management

Employee Hiring and Benefits434

Employee Data

Disclosure	Quantity (2023)			Units
	Combined BGO & CHQ	ILP	TOTAL	
Total number of employees[5]	441	7	448	Headcount
a. Number of female employees	73	3	76	Headcount
b. Number of male employees	368	4	372	Headcount
Attrition rate[6]	.028	0	.028	Percent Rate
Ratio of lowest paid employee against minimum wage (P430 lowest rate / regional min. wage of P430)	430/day CAR 610/day NCR	1:1.04 or 4% higher than the prescribed minimum wage in the region	1:1	Ratio

[5] Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)
[6] Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Employee Benefits

List of Benefits	Y/N	% of female employees who availed for the year		% of male employees who availed for the year	
		CHQ & BGO	ILP	CHQ & BGO	ILP
SSS (premium)	Y	100%	100%	100%	100%
PhilHealth (premium)	Y	100%	100%	100%	100%
Pag-ibig (premium)	Y	100%	100%	100%	100%
Parental leaves					
Maternity	Y	0.02%	0	0	0
Paternity		0	0	0	0
Solo Parent		0	0%	0	0
Vacation leaves	Y	100%	100%	100%	100%
Service Incentive Leave	Y	100%	100%	100%	100%
Sick leaves	Y	100%	100%	100%	100%
Medical benefits (aside from PhilHealth))	Y	100%	100%	100%	100%
Free Housing in camp	Y	21.92%	0%	45.4%	0%
Retirement fund (aside from SSS)	Y	.01%	0%	0.16%	0%
Tuition Fee Refund	Y	.17%	0%	.15%	0%
Company stock options	Y	0	0	0	0
(Others)					
Insurance (Group life; Accident)	Y	100%	100%	100%	100%
Birthday Leave	Y	100%	100%	100%	100%
Mine workers onsite:					
Subsidized water	Y	.45%	0%	.21%	0%
Subsidized electricity	Y	.45%	0%	.21%	0%
Free meal during the shift	Y	.11%	0%	.30%	0%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* The backbone of the operation is the workers (skilled and professionals) of BC-BGO, CHQ and ILP that deliver the metallic gold, silver and lime products generating revenue for the Company. The company have invested in skills training program for its personnel, provided more than the government's statutory benefits to employees, and contributed to poverty alleviation by creating livelihood opportunities for community members to earn a decent living and obtain basic economic services. The company is a diverse, equal opportunity and non-discriminating employer. It believes in the ability of women as key contributors to its business. Female employees are well represented within the organization. For the year 2023, the female employees represent more than 17% of the total workforce, starting from the Board of Directors down to the lower rank employees. The male employees dominated the composition of the workforce at 83%.	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* The Company continued to operate with negative Covid-19 cases in 2023 as against 45 cases in 2022. Basic Safety and Health protocols are still strictly implemented in the workplace. BC continued to provide its employees' benefits in a timely manner. Recognition for a job well-done or satisfactory performance through promotions and a simple "pat at the back" was made part of the Management responsibilities to boost the morale of employees. To mitigate the high turnover rate, Human Resources continues to benchmark with other mining companies on the compensation package or other best practices to mitigate the high turnover rate. Critical positions have been identified. Strengthened succession for understudies, employee's development and training programs are in place to keep loyal employees. Continued and widened network on finding talents is being done by the Corporate and mine site Human Resources departments. Despite the operational and financial challenges by the Company, BC implemented the Regional Tripartite Wages and Productivity Board (RTWPB) Wage Order to cover all rank-and-file employees

Ninety percent (90%) of the workers of the 16 mining contractors belongs to the indigenous peoples of the different tribal communities in the Cordillera Region. The employees of BC-BGO, BC- CHQ and ILP, came from the different territorial Regions in the Philippines. The most challenging impact was the high turnover rate due to the opening of the local and international borders. Employment opportunities opened doors for the skilled and professionals looking for employment opportunities that offer higher compensation, locally or abroad. Attrition/turnover rate for the year is lower at 0.28% compared to 2022 at 0.46%. The Company has spent lesser costs for talent acquisition such as recruitment costs (to include job posting, pre-employment medical, etc.) and training investment.	including those receiving above the minimum wage and extended to Managerial employees to mitigate the effect of inflation on their take home pay. `
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization Operational risks - employees voluntarily leaving the Company due to higher offers by local or foreign companies is expected to continue. Brain drains – technical /managerial positions are becoming scarce in the human resource trade because of greater competition locally and internationally.	To minimize this identified risk, BC shall seriously consider the following: 1. Continuously aim to strengthen robust succession and contingency planning for business continuity especially for the critical positions; 2. Pursue benchmarking/study on the improvement of compensation benefits; 3. Invest on strengthening the employees' career and training development with more stringent training agreements; and 4. Implement employee engagement initiatives to improve employees' and family relationships.

What are the Opportunity/ies Identified?	Management Approach
Identify the opportunity/ies related to material topic of the organization The high turnover rate is an opportunity for BC to review and revisit the following: 1. existing employee compensation package 2. relevant policies and procedures 3. leadership and work environment 4. training and development	BC Management team shall continue to support the identified initiatives and efforts to mitigate the internal risks identified.

Employee Training and Development

Disclosure	Quantity (2022)	Quantity (2023)	Units
Total training hours provided to employees	6,322	2,385	hours
a. Female employees	345	780	hours
b. Male employees	5,977	1,605	hours
Average training hours provided to employees	14.56	5.32	hours
a. Female employees	5.22	10.26	hours
b. Male employees	16.24	4.30	hours

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* Leadership and skills training/seminars were conducted to provide employees with specific skills or help them correct deficiencies in their performance as well as acquire and apply the knowledge, skills, abilities, and attitudes needed by a particular job and to motivate employees to perform their job well. The Company religiously complied with the requirements of the regulatory bodies and certification by 3rd party certifiers.	Despite the challenges in production, the company conducted 2,383 hours of training as part of its commitment to develop and train its workforce. Comparing the training hours in 2022 of 6,322, the 2023 value significantly decreased by 38% or 3,937 hours. Safety, Health and Environmental trainings and orientations were part of the regular activities, especially at the mine sites to inculcate the importance of safe and clean working environment.
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization The increased training costs is a continuing challenge for Management considering the high cost of professional fees, transportation, meals and accommodation during the training and other training related cost. Training investment is also a challenge as trained employees are more marketable after the training. This is one factor why they are poached and offered attractive compensation and benefits. The challenge of the high turnover rate is how to retain these trained and high performing employees.	Management must investigate or improve on the following retention strategies to address/minimize high turnover rate: 1. Motivate employees to grow in the organization by providing career opportunities and development. 2. Due recognition for excellent performance. 3. Continual review/benchmarking with the same industry on compensation and benefits to include best practices. • Enforce workable succession plan • Continue to create an excellent working environment where there is integrity, trust and respect in the attainment of Company's goals and objectives.

	• Management to provide strong leadership to win the trust of the employees and other stakeholders.
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization The high turnover of employees holding critical positions has affected the operation, however, it may also create opportunities or avenue for stayers to grow in the organization, if given the chance and support. It also gives signal to Management to review the existing policies and procedures, strengthen employee development and engagement.	Management shall continue to develop and recognize high performing employees and potential leaders. Effective retention strategies shall be developed or skilled-up to address the risk at hand.

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0.00	%
Number of consultations conducted with employees concerning employee-related policies	0.00	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* The employees of the Company are not member of any labor union; hence, they are not covered by any Collective Bargaining Agreement. Labor related policies are reviewed and issued/discussed to employees by the Policies and Procedures Committee through the Human Resources Department.	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* Best efforts to maintain status as a non-unionized organization by keeping an open communication with employees at all levels. Employee grievances are addressed by immediate supervisors and elevated to higher Management if not solved at their level.
What are the Risk/s Identified?	*Management Approach*
Identify risk/s related to material topic of the organization Erring employees may seek attention from aggressive militant trade unions or organization which may disrupt the harmonious relationship among employees and management and may lead to labor unrest.	Continue to implement identified strategies to maintain employee engagement, cooperation, and satisfaction.
What are the Opportunity/ies Identified?	*Management Approach*
Identify the opportunity/ies related to material topic of the organization Maintain harmonious relationship between Management and employees to maintain industrial peace in the workplace through continued provision of: 1. Good leadership; 2. Career development for the employees; 3. Maintain good benefits that is beneficial to employees themselves and their families.	Management ensures that good leadership is maintained, there is competitive compensation package and established employee engagement strategies.

Diversity and Equal Opportunity

Disclosure	Quantity (2022)	Units	Quantity (2023)	Units
% of female workers in the workforce	15% (66)	%	17% (76)	%
% of male workers in the workforce	85% (368)	%	83% (372)	%
Number of employees from indigenous communities and/or vulnerable sector*	Elderly - 16 Solo Parent - 0 PWDs - 3 Indigenous Peoples - 198 Approximately 90% of the site workforce are Indigenous people.	% % %	Elderly - 19 Solo Parent - 0 PWDs - 2 Indigenous Peoples - 198 Approximately 90% of the site workforce are Indigenous people.	% % % %

***Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).**

Workforce Distribution by Region

Region	No. of Employees (2022)	No. of Employees (2023)
National Capital Region (NCR)	52	52
CALABAR Zone	7	7
CARAGA	1	1
Region 1	116	116
Region 2	7	7
Region 3	27	27
Region 4A	6	6
Region 4B	1	1
Region 5	5	5
Region 6	1	1
Region 7	8	8
Region 8	1	1
Region 11	4	4
Cordillera Administrative Region (CAR)	198	212
Total	434	448

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* The Company sustained its commitment to provide employment to its impact and nearby communities. For the Benguet Gold Operation in Benguet, 90% of the headcount is local in Benguet and nearby provinces. Worth noting is the increased of female employees employed by the company from 15% in 2022 to 17% this year. Mining has always been known to be "a world of men" but BC strives to offer equal employment opportunity for all if they are qualified for the job.	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* BC Hiring Policy has been consistently used as reference and guidance of all Department Heads that local resident shall be given priority in hiring and no discrimination shall be imposed to applicants with vulnerability, sex or religious affiliations. Succession Plan includes local employees to be trained for higher positions.
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization Elderly employees or persons with disabilities and underlying conditions and female employees may have limitations to work in hazardous areas such as the underground and mill areas due to their perceived vulnerabilities	For elderly employees/managers, Management ensures that succession plans shall be in place for continuity and effective operation. Persons with disabilities and/or underlying conditions are closely monitored by the Company's Medical and Safety teams to ensure a safe and healthy work environment.
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization 1. Seasoned employees can transfer their knowledge and skills to the younger generation, which is advantageous to the Company. This may post additional costs in the operations but in the long run, the	Management maintains its approach of giving equal opportunities in the workplace and in the communities where it operates.

investment is worth it. 2. Employment opportunities to the vulnerable sector. Persons with disabilities can prove that they are useful to the Company and society as well. 3. Women proved to be as equally capable and competent as person in the opposite sex.	Currently, the Company is headed by a female President and 15.21 % in the Management team are female.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity (2023)	Quantity (2023)	Units
	BGO-CHQ	ILP	
Safe Man-Hours	2,847,708	102,523	Man-hours
No. of work-related injuries	22	0	#
No. of work-related fatalities	0	0	#
No. of work related ill-health	0	0	#
No. of safety drills	Conducted Four (4) safety drills in 2022: 1. Fire Evacuation Drill - 2 2. Rescue Drill - 1 3. Earthquake Evacuation Drill - 1 4. Mine Rescue Drill - 1	Conducted three (3) Safety Drills: 1. Fire Evacuation Drill - 1 2. Rescue Drill - 1 3. First Aid/CPR - 1	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) The health and safety of employees in the mining and milling operations	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*

normally influence the performance of the Company. Miners and other skilled workers are exposed to strenuous activities such as mucking, rock drilling, lifting, moving equipment and other perilous working conditions. Performing these activities requires miners to be physically fit, alert, well-trained on safety, and aware of various underground hazards and how to mitigate or eliminate them to perform their jobs safely.

Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)

For this reporting period, BGO-CHQ had no work-related fatalities and ill-health was recorded. It has maintained its record of 22 vs. 22 in 2023 in work-related injuries. Manageable incidents of work-related injuries and illnesses did not warrant suspension of operations and production. The ILP on the one hand had not recorded any fatality or injury for the year.

Both BGO-CHQ and the ILP sustained annual safety drills where the former conducted 5 while the latter conducted 3 safety drills. These continuous drills pre-empted the occurrence of incidents that may justify suspension or even closure of operations.

Reduced absenteeism among employees if they are safety and health conscious.

The company's Safety and Health Department ensures the implementation of the following:

1. Safety orientation for newly hired BC (employees) and Service Contractor employees (mandated 8-hr Safety and Health Seminar for Workers pursuant to R.A. No.11058.
2. Monthly Safety meetings with employees and service contractors.
3. Inclusion of safety and health topics in departmental pep talks.
4. Mandatory Annual Physical examination of employees
5. Certification of the First Aider & Safety Officer
6. Participation in all Fire and Earthquake Drill being conducted by the Company in coordination with the local NDRRMC, BFP, and other relevant agencies.
7. Provision of emergency kit to CHQ employees
8. Compliance with DAO No. 2000-98 (Mines Safety and Health Standard)
9. Reiteration of "No PPE-No Work Policy" to prevent any untoward incident by:
    a. Achieving a Zero (0) work-related incident record;
    b. Reporting any unsafe working conditions;
    c. Apprehending workers not using/wearing proper PPEs issued by the Company and subjecting them to proper counseling and/or reprimanding or imposing penalty when necessary.

The Company's Safety Department has been conducting regular monthly safety meetings with the employees. It shall continue to implement its safety obligation and responsibility as stated in its Health and

	Safety Program to respond to any type of emergencies within the workplace, its host, and neighboring communities, to wit: 1. Occupational Health – This pertains to the promotion and maintenance of the right degree of physical, mental and social well-being of the workers in all occupation; prevention of work-related illness; protection of workers from risks usually arising from factors adverse to health; placing and maintaining occupational environment in accordance with their physiological and psychological ability; and adaptability of the worker to his/her job. Company clinic is available at the mine site for emergencies and consultation anytime and in the event of untoward incidents. 2. Mental Health – By providing recreational and social facility and programs; and providing research and training to build up competence with sound mind and body. 3. Occupational Exposure – Control of work environment hazard, physical and biological agents.

What are the Risk/s Identified?	Management Approach
Identify risk/s related to material topic of the organization. Most of our employees belong to the “High Risk” age bracket who are vulnerable. The age of employees ranges from 22 yrs. old being the youngest to 65 years old for regular employees and 74 years old for consultants.	Continuous implementation of Health and Wellbeing Programs as well as Health Awareness Program focused on Disease Prevention and Healthy Lifestyle. Continuous training for the Emergency Response Team (ERT) in handling situations during emergency and disasters. Company provides equipment needed in emergency and rescue operations.
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization. Despite the reduction of work-related injuries by 32% as against injuries in 2022, the most appropriate to review and enhance even more are the health and safety program to reduce further or eliminate injuries and work-related ill-health. Pre-emptive actions would prevent the occurrence of work-related incidents that may adversely affect the mining operation. Potential recognition/citation for Best Health and Safety Practices in the industry. For this reporting period, BC-BGO received several citations and commendations from Barangay LGUs of Itogon in recognition to the Company’s contribution not only to safety activities but also to other development components. The Irisan Lime Project (ILP) was chosen as the Runner-up of the Mineral Processing Calcining Plant Category by the DENR-Mines and Geosciences Bureau and the Philippine Mine Safety and Environment Association in the pursuit of excellence in safety and health management.	The company always prioritize strict observance and compliance to the Occupational Health and Safety Policy of its employees as mandated by DENR Department Administrative Order (DAO) No. 2000-98. For the reporting period, the company has allotted, as approved by the MGB, the amount of PhP 12,875,741.00 and 7,671,285.44 which is 60% was spent for BGO Safety and Health Programs. Consistent practice and participation in the PMSEA improved and raised the skills of the ERT members in responding to emergencies. COVID-19 may have subsided but still a concern with the emergence of sub-variants and other related illnesses. Emergency preparedness in response to the implementation of COVID-19 health protocols is maintained. ***(Please refer to Appendix “K” – Photocopy of Certificate of Approval of 2022 Safety and Health Program)***

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0.00	# of employees

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

Policy on Labor Laws and Human Rights

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	Policy contains provisions of RA 10364 – An Act to Institute Policies to Eliminate Trafficking in Persons specially Women and Children, Establishing the Necessary Institutional Mechanism for the Protection and Support of Trafficked Persons, Providing Penalty for Its Violation and for other Purposes…
Child labor	Y	Policy contains provisions of RA 7610
Human Rights	Y	Policy on Sexual Harassment – *(see link- Policy on Sexual Harassment)* Employees Code of Conduct – *(see link http://benguetcorp.com/wp-content/uploads/2018/05/ECD%20with%20ee%20acknowledgement.pdf)*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
As a Company, Benguet Corporation does not tolerate forced or child labor and human right violations. It ensures that the Philippine law on such is strictly implemented across the organization.	As evidenced in the manpower profile, no employee in the roster is below 18 years of age. No incident of human right violation has been filed by any employee as of to date. Company Policy on Child Labor is in place. *(see link http://benguetcorp.com/wp-content/uploads/2023/04/Child-Labor-Policy.pdf)*
What are the Risk/s Identified?	**Management Approach**

Contractors and suppliers may engage in forced labor or employment of minors or below 18 years of age.	Provision in the contracts that Contractors and suppliers must comply with the Company policies and procedures applicable to them as well as with applicable Philippine laws.
What are the Opportunity/ies Identified?	**Management Approach**
With the formulated policies on forced and child labor and human rights violation, Management and employees are properly guided.	Employees are oriented on the Code of Discipline before start of employment and regular update is done as necessary.

<u>Supply Chain Management</u>

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Yes	Certified ISO 14001-2015
Forced labor	No	-
Child labor	No	-
Human rights	No	-
Bribery and corruption	No	-

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* The Company sources its equipment and supplies locally and abroad. The impact may occur in the following factors to increase productivity: • Quality of the materials and supplies; cost element; • availability of the product and services; and • environmental quality – to reduce land, water and air pollution. Various stakeholders/agencies involved in the supply chain are manufacturers of chemicals (cyanide, sulfuric acid), equipment, lubricants, fuel/oil, electricity or power, banks, transportation, trucking, Bureau of Customs (if imported materials – but very seldom) and permitting agencies involved (Philippine National Police - explosives, Environmental Management Bureau - toxic chemicals like cyanide, etc. Mines and Geosciences Bureau – ore transport permit, among others.	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* We believe that success of the operation can be achieved through respect and transparent dealings between the management of Benguet Corporation and the various agencies and entities that provide/supply the goods and services. We manage supplier relationships through our values and in compliance with applicable regulatory frameworks. There are three considerations in the procurement of materials and supplies as follows: 1. Responsible sourcing; 2. Process stewardship; and 3. Product stewardship. Considering the availability, quality, and competitiveness of price, as much as possible, the company will source the material requirements of the operation locally or from the host communities, province/region before foreign suppliers are considered. We ensure that our suppliers and service providers have aligned core values, standards on health, safety, human rights, anti-corruption and environmental protection. For major suppliers, the Company requires ISO Certification, as a qualification.

What are the Risk/s Identified?	Management Approach
Identify risk/s related to material topic of the organization **Suspension, closure or stoppage of operation due to violation of laws and policies.** High operating cost Delay in production	The selection of local suppliers is in accordance with the processes embodied in the Company's Purchasing Manual. Only those that comply with the Purchasing Manual are engaged or accepted to supply the requirement of the operation. *(Please refer to Link on BC Purchasing Manual)*
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization Opportunity for local suppliers to engage business with BC. BC-BGO gives opportunity to local businesses / suppliers in supplying the mining and milling operation's requirement. This partnership enables the company and the local supplier of products and services to develop harmonious working relationship and improve the economic condition of the local business community. Partnering with local suppliers also provides the company with better credit lines and credit terms, more responsive lead times and customization options. Tax revenue collection by the LGU also contributes to the sustained growth of the local business communities that may improve the delivery of basic services to their constituents like health care assistance to senior citizens and indigent members of the community.	The Company always adheres to BC Purchasing Manual.

Relationship with Community Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
As a continuing commitment and manifestation of the Company's compliance to the implementation of its Social Development and Management Programs, BC-BGO operation has extended various needs to its host and neighboring communities. Based on the development framework of the SDMP, the company had extended PPAs in the following forms:	Itogon, Benguet & Baguio City	IPs, women, migrant groups, elderly, youth	Yes	Right to livelihood; Right to education; Right to shelter; Right to health; Water resource and Infrastructure developments;	1. Continued to respect and honor the rights of the IPs to alleviate poverty and improve the quality of life around the mining area. 2. Shared the wealth to the vulnerable members of the community to live a better life. The mining operation offers other mining related projects that generate employment opportunities for the local communities.

1. Human Resource and Institutional Building; 2. Enterprise Development and Networking; 3. Assistance to Infrastructure Development and Support Services; 4. Access to Education and Educational Support Programs; 5. Access to Health Services, Health Facilities and Health Professionals; and 6. Protection and Respect of Socio-cultural Values. For the year 2023 reporting period, the SDMP implementation performance was 90% or PhP 5,797,317.53 of the PhP 6,444,838.98 total budget. The delay in the submission of project proposals from respective beneficiary barangays have contributed to the non-implementation of the remaining 10% SDMP projects for the period 2023. Such balance will be carried over for implementation in CY 2024 Program.					3. Assisted the national government in addressing development constraints with infrastructure and other projects through various means including the pro-active promotion of responsible mining with the Department of Environment and Natural Resources (DENR), Department of Interior and Local Government (DILG) support Projects, Department of Agriculture (DA) Projects. Additionally, there are several bi-lateral and multi- lateral projects operating in the infrastructure, water resource, rural development and governance areas. However, there are still shortfall and required assistance to improve LGU capacity. The Itogon Municipality and Barangays Virac and Poblacion LGUs rely heavily on Internal Revenue Allotment as their main source of revenue. Slow economic development reinforces the low-income generations of the LGUs. One possible outcome of these fiscal limitations on the LGUs will be increased pressure to review financial revenues, revenue sources, collection rates and the operational efficiency of LGUs. With the approval and proper implementation of the Annual Social Development and Management Program (SDMP) and the 2022 Environmental Protection and Enhancement Program (EPEP) of BC-BGO

Implementation of the balance from 2022 SDMP fund amounting to PhP 113, 705.15 was 100% implemented during this 2023 reporting year. On top the SDMP although not quantified, is the Corporate Social Responsibility (CSR) in a form of Projects Programs and Activities (PPAs) not covered or funded under the SDMP. Its is another company's approach in reciprocating communities in maintaining community license.					and ILP operations, these constraints were addressed and reinforced the LGU's development projects in the host and neighboring areas. *Refer to Appendix "L" – Photocopy of Certificate of Approval of Annual Social Development and Management Program (ASDMP)* *Refer to Appendix "B" – Photocopy of Certificate of Approval of Annual Environmental Protection and Enhancement Program 2022 (AEPEP)*

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available:

Certificates	**Quantity**	**Units**
FPIC –	The Company's mineral claim where it undertakes mining operation is Patented / Titled property of Benguet Corporation. In recognition of the rights of the IPs to be informed, management undertake consultations with them in cases of implementing new projects related to mining activities in its area of operation.	The FPIC process is not required as the Company's mining operation already existed in the area prior to the enactment of R.A. 8371 and that there are no new projects requiring FPIC.
CP secured – The mining claim is mostly titled/patented, and the company has been operating in the area for over 100 years. The land patent and the mining operation existed long before the enactment of the Indigenous Peoples Rights Act (R.A. 8371) which, require FPIC and eventual issuance of CP.		

What are the Risk/s Identified?	Management Approach
Identify risk/s related to material topic of the organization The potential risk can be attributed to non-compliance to the provisions of environmental laws and standards as per R.A. 9275 (Clean Water Act), R.A. 8749 (Clean Air Act), R.A. 9003 (Ecological Solid Waste Management Act) and Indigenous Peoples Rights Act (R.A. 8371). Violations on the provisions of the above-mentioned laws may result to imposition of penalties and risk to health and safety of nearby communities, majority of which are indigenous peoples. Ambiguity in the policies and guidelines regarding PPAs' implementation may induce varied interpretations which may cause disagreement and eventual delay of PPAs' implementation.	The company strictly complied with the established Environmental Management System (EMS). With the recertification of ISO 14001-2015, all programs / projects and activities were implemented in accordance with the terms of the certification. Though Benguet Corporation is the owner of the mining claim, it recognizes the rights of the IPs in sustainable development. Commensurate with the aim of improving their standard of living by providing livelihoods in a culturally appropriate manner, we continuously practice the following, as provided for in: A. IFC Performance Standard #7: Indigenous Peoples The standard sets out to: • Ensure that the Company respects the culture and rights of local people; • Minimize impacts on local communities and their way of life; and • Establish mechanisms for local community engagement and good faith negotiation on issues of grievance. B. IFC Performance Standard #8: Cultural Heritage • Aims to protect culture heritage and ensure that its use (where appropriate) is equitably shared.
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization Compliance to regulations may result to greater confidence of stakeholders and investors on the ability of the company to fulfill its commitment as a responsible miner. The potential risk can be attributed to non-compliance to the provisions of environmental laws and standards as per R.A. 9275 (Clean Water Act), R.A. 8749 (Clean Air Act), R.A.	Though Benguet Corporation is the owner of the mining claim, it recognizes the rights of the IPs in their role in sustainable development. Their participation commensurate with the aim of improving their standard of living in a culturally appropriate manner as per community norms and conduct. Reviewed policies and guidelines together with the recipient- communities to avoid disarray among implementers and the recipients.

9003 (Ecological Solid Waste Management Act) and Indigenous Peoples Rights Act (R.A. 8371). Violations on the provisions of the above-mentioned laws may result to imposition of penalties and risk to health and safety of nearby communities, majority of which are indigenous peoples. Ambiguity in the policies and guidelines regarding PPAs' implementation may induce varied interpretations which may cause disagreement and eventual delay of PPAs' implementation.	Programs / projects and activities were implemented in accordance with the terms of the certification. Though Benguet Corporation is the owner of the mining claim, it recognizes the rights of the IPs in sustainable development. Commensurate with the aim of improving their standard of living by providing livelihoods in a culturally appropriate manner, we continuously practice the following, as provided for in: A. IFC Performance Standard #7: Indigenous Peoples The standard sets out to: • Ensure that the Company respects the culture and rights of local people; • Minimize impacts on local communities and their way of life; and • Establish mechanisms for local community engagement and good faith negotiation on issues of grievance. B. IFC Performance Standard #8: Cultural Heritage Aims to protect culture heritage and ensure that its use (where appropriate) is equitably shared.

What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization Compliance to regulations may result to greater confidence of stakeholders and investors on the ability of the company to fulfill its commitment as a responsible miner.	Though Benguet Corporation is the owner of the mining claim, it recognizes the rights of the IPs in their role in sustainable development. Their participation commensurate with the aim of improving their standard of living in a culturally appropriate manner as per community norms and conduct. Reviewed policies and guidelines together with the recipient- communities to avoid disarray among implementers and the recipients.

Customer Management Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	100%	N

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* The company has both products and services. Its gold productions are sold and purchased by the Bangko Sentral ng Pilipinas (BSP) based on the prevailing market price. The world market dictates the price of gold. As to the services, the company complied and extended all what is due to the communities. Their desired quantity of PPAs implemented might not have fully satisfied them but all were undertaken based on quality and resiliency standards.	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* Continued engagements with the Bangko Sentral ng Pilipinas as the buyer of our product and abide by its rules and regulations. Continued enhanced engagements with the clients/recipients of the services. Institutionalized participative approach in all stages of coming up with PPAs. For quality assurance, involved the communities from the planning stage up to implementation and monitoring.
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization No identified risks as of this reporting. Sudden/abrupt reduction of the price of gold in the world market.	Maintained close monitoring of gold prices while constantly engaging with the BSP.

What are the Opportunity/ies Identified?	Management Approach
Identify the opportunity/ies related to material topic of the organization Selling BC's gold production to BSP directly contributed to the Philippine economy as opposed to selling the product to foreign buyers. Maintained or improved the purity of gold sold to BSP.	Continue selling gold produced to Bangko Sentral ng Pilipinas (BSP) and silver to local market. Provided better service to BSP by selling gold concentrate.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0.00	#
No. of complaints addressed	0.00	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* Safety of employees during transport and delivery of gold to Bangko Sentral ng Pilipinas (BSP) in Baguio City.	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* No fixed schedule of transporting the commodity. Security alert must be imposed.
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization There is potential possibility of hold-up and kidnap for ransom during delivery of gold to BSP in Baguio City.	Maintain confidentiality of information on gold production and details. No fixed schedule of transporting the commodity. Security alert imposed. Rotation of security escort during transport and delivery of product to Baguio City.
What are the Opportunity/ies Identified?	**Management Approach**

Identify the opportunity/ies related to material topic of the organization Accessibility of market – location of BSP is in Baguio City which is about 15 kms. away from the mine site.	Improve intelligence network and regular coordination with Itogon PNP.

Marketing and labelling

Disclosure	Quantity	Units
*No. of substantiated complaints on marketing and labelling** No complaints received in 2023 from our only customer which is the BSP on quality of our products.	0.00	#
No. of complaints addressed. No complaints received/addressed in 2023 from our only customer which is the BSP.	0.00	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* There was no determined impact because there are no complaints received/addressed in 2023 from BC's only customer, Bangko Sentral ng Pilipinas (BSP). Likewise, no complaint was received from ILP clients.	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* For the year under report, the Company did not receive any complaint from BC's customer, BSP, regarding the marketing and labeling of our gold product. Likewise, no complaint was received from ILP clients. If ever complaints arise in the future, the Company will handle/resolve the issues following the Company's policies and procedures.

What are the Risk/s Identified?	Management Approach
Identify risk/s related to material topic of the organization There were no determined risks because the Company delivers its product in accordance with the established guidelines of its sole customer, the BSP.	For the year under report, the Company did not receive any complaint from BC's sole customer, BSP, regarding the marketing and labeling of its product. Likewise, no complaint was received from ILP clients. If ever complaints arise in the future, the Company will handle/resolve the issues following the Company's policies and procedures.
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization Increased Gold sales will increase BSP's gold reserve.	Benguet Corporation will continue to maintain or improve further on gold production and purity.

Customer privacy

Disclosure	Quantity	Units
*No. of substantiated complaints on customer privacy**	0.00	#
No. of complaints addressed	0.00	#
No. of customers, users, and account holders whose information is used for secondary purposes	Limited only to authorized Company engagement.	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* The gold products are sold only to Bangko Sentral ng Pilipinas. Benguet Corporation caters to a government institution as a customer. Thus, the company strives for confidentiality and accountability in all its public disclosures.	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* Observed the Data Privacy Policy of the company formulated in accordance with the Data Privacy Act of 2012 (R.A. 10173). This assures the confidentiality of customers' information. Moreover, the Company adopted control measures to prevent the occurrence of data breach incidents. Proactively managed risks to ensure the protection of data privacy at the start and throughout the lifecycle of any transaction. Appointment of Data Privacy Officer (DPO) for Baguio Operation.

What are the Risk/s Identified?	Management Approach
Identify risk/s related to material topic of the organization 1. Loss of trust by either party (BC or customer) due to privacy breach. 2. Unauthorized processing which includes but not limited to collection, recording, storage, updating or modification, retrieval, consolidation, use, erasure, or destruction of information/data gathered that may result in financial injury to both the company and the customer.	Security of the data collected from the Bangko Sentral ng Pilipinas is undertaken by limiting access to such information after it's been gathered. Direct and upfront communication with the customers about the information gathered and plans for using it.
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization Build stronger relationship with the customer.	Give customers an online form or email address for communicating their problems or concerns. Management undertakes to respond to these messages. Such two-way communication can help build trust and loyalty -- and help avoid potential privacy breach.

Data Security

Disclosure	Quantity	Units
No case of data breaches, including leaks, thefts, and losses of data. There were no reported data privacy incidents, notifiable data breaches relating to cyber security, data governance, or failure in the internal controls, any substantiated complaints concerning breaches of customer privacy and losses of customer data for the reporting period.	0.00	# of data breaches

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* Benguet Corp has a Data Privacy Policy in place being rolled out to all employees. The penalty for the violation of privacy rights resulting in data breaches are also incorporated in the Employee's Code of Conduct, thus it raises the security and privacy awareness further in the organizational culture. The Company implemented and continuously improved its internal control to minimize the risk of data breaches.	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* To establish and further reinforce the knowledge about security and data protection, the Data Privacy Policy forms part of the onboarding process of newly hired employees. Moreover, the Company adopts control measures to prevent the occurrence of data breach incidents. BC management also ensures that our stakeholders and those we do business or partner with, including third-party providers, follow the law on data privacy. This year the Company has obtained the seal of registration issued by the NPC as proof of compliance.

What are the Risk/s Identified?	Management Approach
The accelerating cyber-attack and continuous changing threat landscape.	We are using several frameworks to improve our concept of layered security and defense i.e. Microsoft Defender, Microsoft 365 security, anti-malware and similar security frameworks. We continuously follow security alerts and related information from our IT environment to be able to respond timely to any incident. The Company is compliant with the Data Privacy Law of 2016. *Please refer to link on Data Privacy Policy* http://benguetcorp.com/wp- content/uploads/2018/05P7-Data-Privacy-Policy.pdf
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization More opportunities in the field of training to keep abreast of new regulations and compliance management. Opportunity to be certified on ISO 27001:2013.	To ensure that all applicable NPC regulations are followed, our team continuously monitor NPC circulars like the new registration platform that pursues automation of registration process of personal data processing system, notification regarding automated decision-making or profiling, designation of Data Protection Officer. To obtain certification on ISO 27001:2013- Information and Data Security to develop the capabilities of employees engaged with data protection.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Gold and silver production – (BGO) Slake lime and quick lime – (ILP)	No Poverty 1. Contributed to the local and national economy. 2. Contributed to the Bangko Sentral ng Pilipinas gold reserve for economic development of the country. 3. Contributed to poverty alleviation by the provision of employment, payment of taxes to the government, payment of mandated statutory benefits to workers, and other economic activities in the areas where the Company operates.	Land degradation – uncontrolled and unregulated activity of small-scale miners will contribute to the instability of the ground slope resulting in landslides. Peace and order disruption due to the influx of migrant IPs from other Regions. Illegal squatting in company properties/claims.	BC shall endeavor to increase production while reducing the use of materials and processes using land, water, and air contaminants. Collaboration and coordination with the LGU, DENR, and MGB as the regulatory agencies, for the fast resolution and regulation of small-scale mining activities in the area to minimize or control the increase of migrant IPs. Strict enforcement of camp rules and regulations.

	Zero Hunger: Benguet Corporation provided development projects to the direct impact communities through the implementation of the Social Development and Management Program (SDMP) such as infrastructures, reforestation projects, training on empowerment, livelihood, and provision of computer equipment. **Good Health and Well- Being:** The Company provides medical care and services to employees and community residents, mostly belonging to IPs.		Proper sanitation management coupled with information campaign on the disposal of solid waste, including proper disposal of used face masks and face shields.
	Quality Education: As a responsible corporate partner of society, the Company has a social obligation not only to preserve, protect and enhance the physical and ecological, environment, quality of life of the people in the communities surrounding the operation. The Company continues to offer a Scholarship Program for qualified and deserving indigent community members.	Hostility or rivalry. Envy from nearby or outside mining communities.	Selection of candidates for scholarship will be recommended by the officials of the community.

	Clean Water and Sanitation: The Company monitors the impact of the operation of the adjacent river systems and downstream communities to ensure that these are maintained at minimum levels for equal access of water source by various stakeholders. Following the provision of R.A. 9003 or the Ecological Solid Waste Management Act of 2001, BC has developed programs and activities that are in compliant with the segregation and proper disposal of various types of solid waste to improve sanitation inside the mining camp.	Water pollution is the major concern in the mining operation. Gold processing requires a containment facility to impound the mill tailings. Potential water contamination and water pollution through improper management of ecological solid waste.	With the dam raising issues resolved, the raising of the dam crest of Tailings Storage Facility (TSF) No. 2 was completed and mill tailings produced are continuously contained/impounded at the storage facility to prevent water pollution along the river downstream. On potential water pollution, regular monitoring of the drain tunnels and other appurtenant structures of the tailing's storage facility must be implemented. In the event of leakage, the milling operation must stop and immediate repair of the source of leaks must be conducted. BC is ISO 14001-2015 Certified.
	Life on Land: For the year 2023, the company continuously maintained and protected the established Crosby Forest Park (man-made forest as support to watershed development of the Company) inside its mining property. Enrichment planting is a continuing activity being conducted in areas with sparsely growing trees to provide greener surroundings. The tree density is estimated at 352.55 trees per hectare. The families of employees and visitors from other areas visit the Park, enjoying the scenery and do camping. In addition to the Forest Park, the company also		

	implemented reforestation program within and around its mining claims in compliance with its environmental enhancement program. For the year under report, the 6.0 hectares established plantation on open brushland within its mineral claims in 2022 planted with forest tree species is being maintained.		
	. **Responsible Consumption and Production:** BC's procurement practices are always in accord with the Procurement Policy of the company. Sustainability activities in our value chain were categorized as follows: a. Responsible sourcing from local or foreign source of needed logistics for the operation; b. Quality control of products and services to meet the expectations of the operation; c. Timeliness – availability of the products and services	Sub-standard quality of supplies and materials or products that may affect or slowdown the operation and reduce gold production. Some local suppliers do not have access to or limited funds to expand, thereby affecting the availability of local materials and supplies. Sourcing of imported materials is expensive and may delay the delivery of needed supplies that will affect the production. High cost of fuel, oil and power generation cost affecting the revenue.	BC believes that the success of the operation can be achieved through respect and transparent dealings between the management and the various agencies and entities that provide the goods and services to the Company. It manages supplier relationships through its values and compliance with applicable regulatory frameworks. To ensure sustainability in our supply chain, a risk-based approach in assessing suppliers is in place. Suppliers must comply with the standard requirements, such as ISO certified or government standard compliances. We engage them through a commercial framework that is aligned with BC's Purchasing Policy. Long-term planning on mining development and programs to advance the forecasting of needed materials and supplies to ensure availability when needed by the operation. The company has prioritized suppliers with ISO 14001- 2015 Certification.

	Peace, Justice and Strong Institutions: The influx of migrant workers and proliferation of illegal small-scale miners have affected peace and order inside camp.	Peace and order disruption due to influx of migrant IPs from other Regions; Illegal squatting in company properties/claims	The Company established a strong security force guided by established policies of the Company and in coordination with government law enforcement agencies to avert and prevent security threats in the area. Strict enforcement of camp rules and regulations.
	Decent Work and Economic Growth: BC improved the quality of life of the people in the communities surrounding the operation by providing livelihood development programs such as giving work contracts to qualified residents in the area willing to participate in the projects, thereby earning income to support their day-to- day financial needs. BC shares wealth with the vulnerable members of the community to live a better life. The mining operation offers other mining related projects that generate employment opportunities for the local communities.		
	Climate Action: BC and ILP operations are in collaboration with the host and neighboring communities to actively participate in the CO^2 sequestration by planting more trees in their surroundings. In 2023, the company has maintained its	Among the identified negative impact related to climate change are the following: a. Deforestation b. Landslide c. Forest fire / bush fire	Stronger, effective, and efficient coordination among heads of operation and company executives gives a good account in addressing challenges in the operation. Regular preventive maintenance program of

	reforestation program. Overall, the Company maintained a total of 800 hectares planted with various fruit-bearing and forest tree species inside its mining properties. Air pollution is handled and minimized through regular maintenance of scrubbers and regular monitoring of air quality. The air quality performance during the period under report is within the National Standard on air pollutants as shown in the Disclosure Table on Air Pollutants and the monitoring report by Greentek Environmental Engineering Services and BERKMAN SYSTEMS, INC.	d. Underground water depletion e. Air pollution	all equipment and machineries to minimize downtime and increase operating efficiency.
	Partnership to Achieve the Goal: The Company is operating in partnership with Mines and Geosciences Bureau (MGB) accredited mining contractors that employ miners from the indigenous peoples of the Cordillera Region. Over 2,000 people in the workforce were employed by the Company and service contractor combined. Irisan Lime Project have engaged the services of a Cooperative whose members are composed of the indigenous people and members of the community in Brgy. Irisan, Baguio City, and formercompany employees to operate its kiln	The illegal exploitation of mineral resources by the unregulated small-scale miners' operators surrounding the mining properties of the Company entails significant business risks that may lead to environmental degradation or mining accidents. Insufficient compliance or failure to follow environmental laws could affect the Company's mining activities. It may delay mining operations or could result in suspension of operation and/or imposition of substantial fines and penalties.	To ensure proper compliance, the Company puts a great amount of effort and invests a substantial amount of its resources into environmental protection and rehabilitation in its areas of operations. As proof of its commitment to responsible and sustainable mineral resource development, the Company implements best practices and has adopted an environmental policy statement that is consistent with ISO:14001- 2015 Certification on Environmental Management System (EMS). The ISO certification makes the Company's operations fully compliant with the requirement of DENR DAO No. 2015-07.

	plant. We also provide business opportunities to our various suppliers and service providers that support the day-to-day operation of the company. BC's partnership with regulatory agencies, supply chain providers, and financial institutions is necessary to enhance policy coherence for sustainable development.		

LIST OF APPENDICES:

APPENDIX NO.	TITLE
A	Environmental Management System Document No. EMSG-06 (Guidelines on Power Consumption
B	Certificate of Approval of Annual Environmental Protection and Enhancement Program (AEPEP)
C	DRCS-09 (Summary of Risks and Opportunities)
D	Environmental Management System Document No. EMSG-03 (Guidelines on Diesel, Oil and Grease Handling, Transport and Storage)
E	Environmental Management System Document No. EMSG-12 (Guidelines on Contaminated Water)
F	Report Certification of Greentek Environmental Engineering Services on Source Emission Test Result
G	Ambient Air Quality and Noise Monitoring Report of Greentek Environmental Engineering Services
H	Environmental Management System Document No. EMSG-07-A (Guidelines on Hazardous Waste Management – Used Oil, Oil and Grease, Contaminated Items)
I	Photocopy of Environmental Compliance Certificate
J	Summary of Status of Regulatory Compliance Performance for C.Y. 2022
K	Photocopy of Certificate of Approval of 2022 Safety and Health Program
L	Photocopy of Certificate of Approval of Annual Social Development and Management Program (ASDMP)

Appendix A

Document Title	EMS GUIDELINES				
Process	Power Conservation				
Document Code	DRCS-12-06_EMSG_PC	Revision No.	01	Effective Date	Jan. 1, 2023
Department	Electrical, All Departments			Page Number	Page **1** of **1**
Prepared by: GP AYSON		Reviewed by: BGO EMS		Approved by: VB BONGALOS JR.	

INDOORS/OFFICE

Use natural light whenever possible

INDOORS/OFFICE

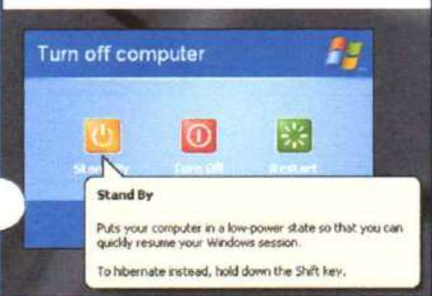
Turn off lights, machinery, computers, & appliances whenever possible

INDOORS/OFFICE

Unplug electrical appliances and chargers when they are not in use

INDOORS/OFFICE

Avoid leaving computers on standby when leaving the office for the day



INDOORS/OFFICE

Use air-conditioning only when necessary

INDOORS/OFFICE

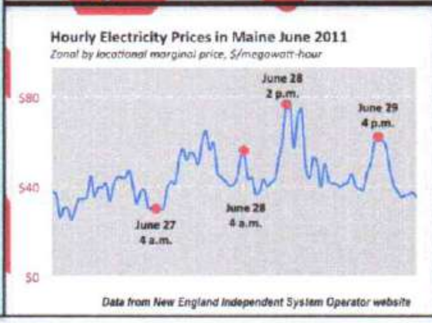
Shutdown all computers at break, when leaving the office for the day

INDUSTRIAL AREA

Make sure to turn off outside/outpost lamps first thing in the morning

INDUSTRIAL AREA

Operating big tanks on hours with lower power rates



INDUSTRIAL AREA

Proper maintenance of equipment to maximize power efficiency

3

Appendix B

Republic of the Philippines
Department of Environment and Natural Resources
MINES AND GEOSCIENCES BUREAU
Cordillera Administrative Region
80 Diego Silang St., Baguio City 2600
Tel. No. 63 74 442 6392; Fax No. 63 74 304 2596; Website: www.car.mgb.gov.ph
E-mail: car@mgb.gov.ph; car_mgb@yahoo.com; mgb.cordillera@gmail.com

ANNUAL ENVIRONMENTAL PROTECTION AND ENHANCEMENT PROGRAM (AEPEP)

CERTIFICATE OF APPROVAL
No. 2023-04-CAR

BENGUET CORPORATION-ACUPAN CONTRACT MINING PROJECT
PC-ACMP-002-CAR

The Mines and Geosciences Bureau - Cordillera Administrative Region (MGB-CAR) as Chair of the Mine Rehabilitation Fund Committee for Benguet Corporation-Acupan Contract Mining Project (MRFC-ACMP) that evaluated and approved the company's 2023 Annual Environmental Protection and Enhancement Program (AEPEP), hereby grants this Certificate of Approval of said AEPEP to BENGUET CORPORATION-ACUPAN CONTRACT MINING PROJECT (BC-ACMP) for its Patented Mining Claims-ACMP-002-CAR located at Barangay Virac, Itogon, Benguet after complying substantially with the requirements as mandated under DENR Administrative Order No. 2010-21.

This Certificate is being issued subject to the pertinent provisions of the above-mentioned DAO and to the following conditions:

1. This Certificate is valid only for the Programs/Projects/Activities (P/P/As) stipulated in the submitted 2023 AEPEP with a total budget of **PhP 12,512,090.04** reviewed and approved by the MRFC-BCACMP;
2. The Company shall submit a *quarterly accomplishment report within 30 calendar days after the end of each quarter and annual accomplishment report within 30 calendar days after the end of each calendar year* to MGB-CAR; and
3. Additional conditions may be imposed to implement the approved AEPEP effectively and efficiently should the results of monitoring by the Multipartite Monitoring Team (MMT) for BC-ACMP warrant them.

Non-compliance with the above conditions shall be sufficient ground for the cancellation, revocation or termination of this Certificate or suffer the penalty prescribed in the Penal Provisions of Republic Act No. 7942, the Philippine Mining Act of 1995.

Given this 20th day of December 2022 at MGB-CAR, Baguio City, Philippines.

FAY W. APIL
Regional Director
MGB-Cordillera Administrative Region

Department of Environment and Natural Resources
Mines and Geosciences Bureau
Cordillera Administrative Region
013023-CAR-45994
Certificate of Approval
9:35 AM 01/30/2023

"MINING SHALL BE PRO-PEOPLE AND PRO-ENVIRONMENT
IN SUSTAINING WEALTH CREATION AND IMPROVED QUALITY OF LIFE."

Appendix C

BenguetCorp	Document Title	**SUMMARY OF RISKS**		
	Document Code	DRCS-09_EMS_SR		
	Revision	08	Effective Date	Jan. 1, 2023
Prepared By: CAROLYN C. CRUZ		Reviewed by: BGO EMS		Approved by: VALERIANO B. BONGALOS, JR.

DEPARTMENT	PROCESS	RISK IDENTIFICATION				RISK ASSESSMENT
		RISK CATEGORY	DESCRIPTION	CAUSE	CONSEQUENCE	RISK RATING
Assay	Assaying	Regulatory	Unable to meet Environmental Standards	Failure to monitor and conduct PMS on equipment	Penalty from Regulatory body	Moderate
Claims	Demolition of structures	Security and Safety	Safety being compromised while performing the said activity.	Hostile environment	Physical safety and attending legal issues	Moderate
Comrel	Implementation, monitoring and validation of approved SDMP Projects, Programs and Activities of host and neighboring Barangays	Operational	Failure to comply with SDMP Programs	LGU's late submission of SDMP Project proposals and approval of budget	May compromise company operations and lead to penalties, and cancellation of permits and/or ECCs	High
Construction	Infrastructure construction	Financial	Failure in implementing the project	No materials to be used	The project will be waiting	Moderate
Finance	Bookkeeping (making entries on various company transactions	Technical & Architectural /	Possible loss of data stored in cloud technology	Emergency and/or unscheduled power interruptions will	No access to own computerized accounting system.	High

DEPARTMENT	PROCESS	RISK IDENTIFICATION				RISK ASSESSMENT
		RISK CATEGORY	DESCRIPTION	CAUSE	CONSEQUENCE	RISK RATING
	to come up with financial reports required by management and external users)	Operational/ Technology		disrupt the operations of our computerized accounting system; and cyber-attack and/or password theft (program hacking)		
GeoEx	Geologic Interpretation and Resource Estimation	Operational	Erroneous resource estimation	Inadequate training	If interpretation of geologic data is incorrect, there is a risk of mining unprofitable areas	Moderate
MEPEO	Implementation of environmental programs	Regulatory	Failure to implement the established environmental programs	Delayed approval of funds	Issuance of Notice of Violation (NOV) from the regulatory agencies, and eventual issuance of Cease-and-Desist Order (CDO)	Moderate
				Natural disasters & Pandemic	Imposition of penalties	
				Community resistance		

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DEPARTMENT	PROCESS	RISK IDENTIFICATION				RISK ASSESSMENT
		RISK CATEGORY	DESCRIPTION	CAUSE	CONSEQUENCE	RISK RATING
Procurement	Processing procurement documents, licenses and permits	Operational	Lengthy process/method or system	inconsistencies of required documents/attachments change/revise authorize signatory	delayed approval of the required certificate, license and/or permit of explosives to operate	Moderate
Safety	Underground and Surface Inspection	Operational	Failure to conduct full safety underground and surface inspection	Lack of manpower	Higher incident rate	Moderate
	Implementation of Safety Policy	Operational	Failure to implement the Company's Safety Policy	Inappropriate standard PPEs	Higher incident rate	
Special Project	Underdrain Tunnel/Penstock Failure; Piping	Safety and Risk	Structural failure of the stopper boards leading to piping	Structural Failure	Downstream Community being submerged through tailings	Moderate
		Regulatory	Work Stoppage	Non-compliant	Penalties and cease of operations	

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BenguetCorp	Document Title	SUMMARY OF OPPORTUNITIES		
	Document Code	DRCS-10_EMS_SO		
	Revision	06	Effective Date	Jan. 1, 2023
Prepared By: JS REY		Reviewed by: BGO EMS		Approved by: VALERIANO B. BONGALOS, JR.

NO.	DEPARTMENT	PROCESS	DESCRIPTION OF OPPORTUNITY	OPPORTUNITY RATING	ACTION
1	**Assay**	Assaying	Rendering Assaying services from external sources	Excellent	Opportunity shall be pursued immediately
2	**Camp Admin**	Monitoring	Monitoring of Company Structures like cottages and bunkhouses	Excellent	Opportunity shall be pursued immediately
		Maintaining	Maintains cleanliness within the camp and industrial areas	Excellent	Opportunity shall be pursued immediately
		Implementing	Implements company's environmental policies and rules to the camps and staff houses	Excellent	Opportunity shall be pursued immediately
3	**ComRel**	Development of SDMP Projects, Programs and Activities of host and neighboring Barangays	The company can create better partnership with the community in implementing environmental programs.	Excellent	Opportunity shall be pursued immediately
		Implementation, monitoring and validation of approved SDMP Projects, Programs and Activities of host and neighboring Barangays	Environmental awareness could be raised through community projects and programs.	Excellent	Opportunity shall be pursued immediately
		Administrative works	Cost saving measures from efficient use of energy, paper and other resource	Excellent	Opportunity shall be pursued immediately

NO.	DEPARTMENT	PROCESS	DESCRIPTION OF OPPORTUNITY	OPPORTUNITY RATING	ACTION
4	**Construction & Civil Works**	Planning of proposed projects, drafts, and evaluation of project cost for construction/ repair/ rehabilitation projects.		Excellent	Opportunity shall be pursued immediately
5	**Electrical**	Energy Monitoring	Everyone will be energy conserving conscious and should participate in earth hour	Excellent	Opportunity shall be pursued immediately
		Electrical design and analysis	Self-awareness on electrical safety such as overloading, appropriate wire sizes and location of main circuit breaker, which can be applied domestically avoiding untoward incidents	Excellent	Opportunity shall be pursued immediately
		Better compensation	employees will be motivated, less turnover rate, the feeling of job satisfaction is achieved	Excellent	Opportunity shall be pursued immediately
6	**GeoEx**	Mapping	Extend assistance such as geo-hazard mapping to other departments, including private and government entities	Excellent	Opportunity shall be pursued immediately
7	**Medical**	Clinic Operations: medical services, treatment and rehabilitation to include community services	Responsible management of waste	Excellent	Opportunity shall be pursued immediately

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NO.	DEPARTMENT	PROCESS	DESCRIPTION OF OPPORTUNITY	OPPORTUNITY RATING	ACTION
			Responsible management of resources	Excellent	Opportunity shall be pursued immediately
8	**Met Lab**	Metallurgical Tests	Optimization of plant operating parameters will result to higher gold production with the least operating cost (reagent and power consumption).	Excellent	Opportunity shall be pursued immediately
9	**Mill**	Carbon-in-Leach	Usage of other leaching reagents that are environmentally friendly and will produce higher gold recovery.	Excellent	Opportunity shall be pursued immediately
10	**Mill Mechanical**	Enhancement of the filtering of used hydraulic oil 68 for PMS lubrications.	Design a filtering device to be used for the filtering process of hydraulic oil 68.	Excellent	Opportunity shall be pursued immediately
11	**Mines**	Drilling and blasting	Worn out drill steel can be recycled and fabricated to pinch bars and claw bars	Excellent	Opportunity shall be pursued immediately
		Maintenance of track rails and cleaning at haulage roadways and drainage canal.	Worn out track rails can be used as ground support in underground	Excellent	Opportunity shall be pursued immediately
12	**MTS**	Professional Development Trainings/ Seminars	Joining trainings/ seminars for continuing professional development	Excellent	Opportunity shall be pursued immediately
13	**Procurement**	Processing procurement documents, licenses, and permits	On-time application of permits will avoid being penalized by regulatory agencies.	Excellent	Opportunity shall be pursued immediately
14	**Safety**	Emergency response	The company's Emergency Response Team (ERT) acts as volunteers during	Excellent	

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NO.	DEPARTMENT	PROCESS	DESCRIPTION OF OPPORTUNITY	OPPORTUNITY RATING	ACTION
			rescue operations within and nearby communities		
15	**Security**	Administrative work	Cost saving measures from efficient use of energy, paper and other resources	Excellent	
16	**Treas**	Submission of Reports	use of computer programs to hasten the creation of reports.	Excellent	Opportunity shall be pursued immediately
17	**Warehouse**	Distribution of Inventory lists, Notice of Arrivals, & other documents to concerned department heads & end users (e-mailed instead of duplicating/xeroxing)	Cost saving measures from efficient use of energy, paper & other resources	Excellent	Opportunity shall be pursued immediately

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Document Title	EMS GUIDELINES			BenguetCorp	
Process	Diesel – Handling, Transport and Storage				
Document Code	DRCS-12-03_EMSG_HTSD	Revision No.	01	Effective Date	Jan. 1, 2023
Department	Motorpool, Mine Mechanical, Mill Mechanical			Page Number	Page **1** of **2**
Prepared by: FOR SALACO B. PAMPANICO		Reviewed by: BGO EMS		Approved by: VB BONGALOS JR.	

STORAGE

Long Term Storage: Steel Tanks

STORAGE

Short Term/Transport: Plastic Car Buoys

STORAGE

Short Term/Transport: Plastic/Steel Drums

STORAGE

Storage 6-12 months at an ambient temp higher than

STORAGE

Required secondary container

STORAGE

Proper GHS label on the containers

HANDLING

Use proper PPE

HANDLING

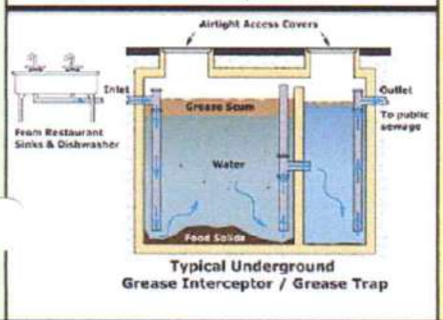
Secondary catchment when refilling/transferring container

HANDLING

Oil-soaked materials are disposed separately

OIL RECOVERY

Oil-Water Separator



EMERGENCY

MSDS available

EMERGENCY

Spill Kit Nearby

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Document Title	**EMS GUIDELINES**			BenguetCorp	
Process	**Diesel – Handling, Transport and Storage**				
Document Code	DRCS-12-03_EMSG_HTSD	**Revision No.**	01	**Effective Date**	Jan. 1, 2023
Department	Motorpool, Mine Mechanical, Mill Mechanical			**Page Number**	Page **2** of **2**
Prepared by: FOR *SALACO B. PAMPANICO*		**Reviewed by:** *BGO EMS*		**Approved by:** *VB BONGALOS JR.*	

Use of Oil-Settling Tanks

Monitoring and recording of consumption

REFUELING

Only authorized personnel are allowed to refuel diesel containers

REFUELING

Designated underground refuelling stations will be assigned

HANDLING

Use mine cars when transporting diesel underground

EMERGENCY

All vehicles are required to bring spill kit for emergency spills on site

EMERGENCY

Spill Kit: contains SAND, hand shovel, small dustpan, rags, plastic bag (labeled "Toxic Waste"). After soaking the spill using sand, collect the contaminated sand into a labeled plastic bag. Dispose accordingly

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Appendix E

Document Title	EMS GUIDELINES				
Process	Contaminated Water				
Document Code	DRCS-12-12_EMSG_CW	Revision No.	01	Effective Date	Jan. 1, 2023
Department	Mill, Mine, Mill and Mine Mechanical, Motor Pool, Envi			Page Number	Page **1** of **2**
Prepared by: CG CRUZ		Reviewed by: BGO EMS		Approved by: VB BONGALOS JR.	

MINES

Built underground drainage systems and canals to drain run-off water. These canals are drained by pump station near the portal, where a settling dam is installed before being discharged in the river. Some water are pumped to the mill (recycled)




MOTORPOOL

Oil-water separator built in motor pool workshop/garage that "de-contaminates" used water. Collected used oil from separator is stored in a hazard waste container to be disposed appropriately




MINE MECHANICAL

Oil-water separator built in mechanical workshop that "de-contaminates" used water. Collected used oil from separator is stored in a hazard waste container to be disposed appropriately




MILL

All discharge (pulp, tails, contaminated water) from the mill (from crushing, grinding to refining and smelting) goes into the Tails Treatment Facility. The solution is treated with SMBS before being pumped to Tails Storage Facility


Document Title	EMS GUIDELINES				
Process	Contaminated Water				
Document Code	DRCS-12-12_EMSG_CW	Revision No.	01	Effective Date	Jan. 1, 2023
Department	Mill, Mine, Mill and Mine Mechanical, Motor Pool, Envi			Page Number	Page 2 of 2
Prepared by: CG CRUZ	Reviewed by: BGO EMS			Approved by: VB BONGALOS JR.	

MONITORING

Effluent Monitoring

MONITORING

Monitor tanks to avoid overflow

MAINTENANCE

Regular cleanup of canal/drain

MAINTENANCE

Regular check of discharge valves pipes and connections

4

Appendix F

GREENTEK Environmental Phils.Co.

SOURCE EMISSION TEST REPORT

PARTICULATE MATTER, SULFUR OXIDES NITROGEN OXIDES & CARBON MONOXIDE

One (1) unit 5,013 CFM Verantis Acid Fume Scrubber System No. (2), Connected to Two (2) units Kerosene Fired Flame Torches of the Acidifying Chamber No. 2

Reference No.: GEPC-SST-2307-036

Prepared for:

BENGUET CORPORATION - ACUPAN CONTRACT MINING PROJECT

Balatoc, Virac, Itogon, Benguet

Sampling Date: July 4, 2023

Report Date: July 25, 2023

REPORT CERTIFICATION

SOURCE EMISSION TEST REPORT
Reference No. GEPC-SST-2307-036

BENGUET CORPORATION
ACUPAN CONTRACT MINING PROJECT

Balatoc, Virac, Itogon, Benguet

One (1) unit 5,013 CFM Verantis Acid Fume Scrubber System No. (2), Connected to Two (2) units Kerosene Fired Flame Torches of the Acidifying Chamber No. 2

The sampling performed for this report was carried out under my direction and supervision. The analytical results that were performed by sub-contracted laboratories had been verified and were found to be in order. Thus, I hereby certify, to the best of my knowledge, that this test report is authentic and accurate.

Signature: ____________________

Date: JULY 25, 2023

Danilo M. Palaypay, Jr.
QA/QC Manager
SAT No. 2022-146

SECTION 2.0

SUMMARY OF RESULTS

Table 2-1 presents the summary of the test results for the source tested in comparison to the National Emission Standards identified in IRR Part VII Rule XXV Table 2. Detailed descriptions of the specific run information and the example calculations used to calculate the tabular summary are attached in Appendix A. The raw field data used to prepare the run summary information in Appendix A are included in Appendix B. Emissions have been corrected to the standard conditions of 25^{0}C and 760mmHg on a dry-basis (unless otherwise indicated).

The Greentek Monitoring Log sheet completed by the facility's representative indicates that the source was installed in 2013 when the implementation of the IRR was already applied. The applicable standards applied to the two unit kerosene-fired flame torches of the acidifying chamber which are connected to the 5,013 CFM Verantis Acid Fume Scrubber System (No.2) under the CAA/IRR as new source, fuel-burning equipment source located in an industrial area.

The results of testing indicate that the average PM, SO_x, NO_x, and CO concentrations are within the applicable IRR standards. The concentrations measured have not been corrected to a standard Oxygen correction factor since the valid PTO was released prior to the effectivity of EMB Memorandum Circular No. 2021-15 on October 27, 2021.

Particulate Matter (PM), Sulfur oxides (SOx), and Nitrogen oxides (NOx) samples were submitted to Ostrea Mineral Laboratories, Inc. while Carbon monoxide (CO) samples were submitted to Greentech Laboratory and Allied Services, Inc. Attachment of the laboratory results are included in Appendix D of this report.

Description of any method deviations and quality assurance assessments are included in Sections 4 and 5 of this report. Based on review of the sampling data, facility operating information, test method descriptions, and quality assurance results, the average of the three test runs are judged to be representative of the source and suitable for comparison to the regulatory limits.

TABLE 2-1

SUMMARY OF TEST RESULTS
One (1) unit 5,013 CFM Verantis Acid Fume Scrubber System (No. 2)
N 16°21'33" E 120°39'32"
BENGUET CORPORATION - ACUPAN CONTRACT MINING PROJECT
Balatoc, Virac, Itogon, Benguet

Run Number Sampling Date Sampling Time	RUN 1 04-Jul-23 1159H-1323H	RUN 2 04-Jul-23 1401H-1517H	RUN 3 04-Jul-23 1536H-1653H	Average	CAA Limit mg / Ncm
Source Data					
Volumetric Flow Rate (dry std), Ncmm	61	60	61	**61**	
Volumetric Flow Rate (actual), Ncmm	72	73	72	**72**	
Moisture Content, %	2.3	2.7	2.8	**2.6**	
Stack Gas Temperature, °C	37	50	42	**43**	
Carbon dioxide Concentration, %	1.5	1.5	1.5	**1.5**	
Oxygen Concentration, %	18.5	18.5	18.5	**18.5**	
Process Rate Information					
Ounces of gold	41.93	41.93	41.93	**42**	
% of Load during test	90%	90%	90%	**90%**	
Hours of operation per year	800	800	800	**800**	
Particulate Matter (PM) Emissions					
Concentration, mg/Ncm	6	6	11	**8**	**150**
Mass Emission Rate, kg/hr	0.02256	0.02141	0.03941	0.02780	
Annual Emission Rate, MT/yr*	0.01805	0.01713	0.03153	0.02224	
Sulfur oxides (SOx) Emissions					
Concentration, mg/Ncm	12	14	12	**13**	**700**
Mass Emission Rate, kg/hr	0.04479	0.05077	0.04480	0.04679	
Annual Emission Rate, MT/yr*	0.03583	0.04062	0.03584	0.03743	
Nitrogen oxides (as NO_x) Emissions					
Concentration, mg/Ncm	135	123	195	**151**	**500**
Mass Emission Rate, kg/hr	0.4974	0.4409	0.707	0.548	
Annual Emission Rate, MT/yr*	0.3979	0.3527	0.566	0.4388	
Carbon monoxide (CO) Emissions					
Concentration, mg/Ncm	4.6	3.4	2.3	**3.4**	**500**
Mass Emission Rate, kg/hr	0.01686	0.0123	0.0083	0.0125	
Annual Emission Rate, MT/yr*	0.013	0.010	0.007	0.010	
DENR Classification	Fuel Burning Equipment (New Source)				

** Annual emissions are presented as metric tons (MT) per year based on the reported plant operating hours per year.*

Remarks:

a. Particulate Matter (PM) Emissions	:	*Within the standard of 150 mg/Ncm*
b. Sulfur oxides (SO_X) Emissions	:	*Within the standard of 700 mg/Ncm*
c. Nitrogen oxides (as NO_x) Emissions	:	*Within the standard of 500 mg/Ncm*
c. Carbon monoxide (CO) Emissions	:	*Within the standard of 500 mg/Ncm*

Parameters:	***Sampling Method:***	***Analysis Method:***
a. Particulate matter (PM)	*USEPA Method 5*	*Gravimetric*

GREENTEK Environmental Phils. Co.

AMBIENT AIR QUALITY MONITORING REPORT AND NOISE LEVEL MEASUREMENT MONITORING REPORT

Reference No.: GEPC-AQM-2312-073

Prepared for:

BENGUET CORPORATION - ACUPAN CONTRACT MINING PROJECT

Virac, Itogon, Benguet

Sampling Date: December 08, 2023

Report Date: January 16, 2024

AMBIENT AIR QUALITY MONITORING REPORT AND NOISE LEVEL MEASUREMENT MONITORING REPORT CERTIFICATION

THREE (3) STATION AREA TESTS

PARAMETERS ARE:

TOTAL SUSPENDED PARTICULATE **(TSP)**
SULFUR DIOXIDE **(SO_2)**
NITROGEN DIOXIDE **(NO_2)**
NOISE LEVEL MEASUREMENT

BENGUET CORPORATION – ACUPAN CONTRACT MINING PROJECT

Virac, Itogon, Benguet

The ambient air monitoring and noise level measurement monitoring results reported herein were performed by Mr. Angelo V. Guevarra, Mr. Daniel L. Navidad Jr. Mr. Manny R Cruz, Mr. Arnel D. Montano and Mr. Anthony M. Cabungcal. The laboratory analysis of the collected samples is conducted by Mach Union Laboratories Inc. and has been verified and found to be orderly.

I have certified that the information discussed in this report is accurate to the best of my knowledge.

Signed by:

DANILO M. PALAYPAY JR.
SAT No: 2021-93 & 2022-146

Date Signed: **January 16, 2024**

AMBIENT AIR QUALITY MONITORING REPORT

FACILITY NAME: **Benguet Corporation – Acupan Contract Mining Project**

FACILITY ADDRESS: **Virac, Itogon, Benguet**

1.0 INTRODUCTION:

Greentek Environmental Phils. Co. was contracted by **Benguet Corporation - Acupan Contract Mining Project** to conduct ambient air sampling for three (3) stations within their plant facility as a requirement of their environmental permit and partly for their regular environmental monitoring.

On December 08, 2023, ambient air sampling was performed for the analysis of the following parameters: nitrogen dioxide (NO_2), sulfur dioxide (SO_2), and total suspended particulate (TSP).

2.0 SAMPLING METHODOLOGY:

The DENR standard ambient air sampling equipment and analytical procedures were used in the sampling activity. These equipment and procedures are specified below:

Total Suspended Particulate Matter (TSP)

Reference Procedure:	USEPA, 40 CFR 50, Appendix B
Sampling Equipment:	High Volume Sampler (1-Hour Air Sampler)
Method of Analysis:	Gravimetric Method

Sulfur dioxide (SO_2)

Reference Procedure:	USEPA, 40 CFR 50, Appendix A
Sampling Equipment:	Gas Bubbler Sampler (USEPA compliant)
Method of Analysis:	Pararosaniline Method

Nitrogen dioxide (NO_2)

Reference Procedure:	Air Pollution Monitoring Manual, EMB-1994
Sampling Equipment:	Gas Bubbler Sampler (USEPA compliant)
Method of Analysis:	Colorimetric, Griess Saltzman

The SO_2 and NO_2 samples were preserved in an icebox, and Total Suspended Particulate (TSP) filters were placed in a clean envelope. The samples collected were transported to the laboratory for analysis.

3.0 SAMPLING LOCATIONS:

There are two (2) sampling stations for ambient air monitoring. The table below shows the location and observations made during the sampling activity.

STN	LOCATION	OBSERVATION / ACTIVITY IN THE AREA DURING THE TIME OF SAMPLING
1	Along Keymens Road **(Upwind)**	The sampling point was located along Keymens road. The plant facility was operational during the sampling period. The area was dry with minimal wind. There were sixteen (16) motorcycles, eighteen (18) cars and jeepneys passed by near the sampling point.
2	Near Assay Lab and Met Lab **(Downwind)**	The sampling point was located near Assay Lab and Met Lab. The plant facility was operational during the sampling period. The area was dry with minimal wind. There were nine (9) cars and jeepneys and eleven (11) motorcycles passed by near the sampling point.
3	Near BCACMP Office **(Downwind)**	The sampling point was located near BCACMP Office. The plant facility was operational during the sampling period. The area was dry with minimal wind. There were seven (7) cars and eleven (11) motorcycles passed by near the sampling point.

4.0 SUMMARY OF RESULTS:

The summary results of the laboratory analysis are presented below for all sampling areas.

Table – 1

Laboratory Analysis Results and Standard Limits for 60 minutes sampling

Station	Location	Date / Time Sampling	TSP (ug / Nm^3)	SO_2 (ug / Nm^3)	NO_2 (ug / Nm^3)
1	Along Keymens Road **(Upwind)**	08-Dec-2023 0847H-0947H	80.6	10.6	6.4
2	Near Assay Lab and Met Lab **(Downwind)**	08-Dec-2023 1003H-1103H	296.8	10.6	7.8
3	Near BC-ACMP Office **(Downwind)**	08-Dec-2023 1123H-1223H	188.7	10.6	9.6
DENR NAAQ Standards for 60 minutes sampling			**300**	**340**	**260**

These data are measured to standardize the test results to 25°C and 760mmHg and for comparison purposes.

Table – 2

Meteorological Monitoring Reading for 60 minutes sampling

STN	Location (GPS)	Date / Time Sampling	Barometric Pressure. (Inch Hg) Result Avg.	Ambient Temp.(˚C) Result Avg.	% Relative Humidity Result Avg.	Wind Speed Avg. (m/s)
1	Along Keymens Road **(Upwind)** N 16°21'36" E 120°39'32"	08-Dec-2023 0847H-0947H	27.12	24.0	74.7	0.5
2	Near Assay Lab and Met Lab **(Downwind)** N 16°21'34" E 120°39'31"	08-Dec-2023 1003H-1103H	27.21	26.0	60.1	0.9
3	Near BC-ACMP Office **(Downwind)** N 16°21'38" E 120°39'36"	08-Dec-2023 1123H-1223H	27.18	29.2	52.6	0.9

5.0 DISCUSSION OF RESULTS:

The USEPA “Quality Assurance Handbook for Air Pollution Measurement Systems, Environmental Management Bureau, Department of Environment and Natural Resources, Philippine Environmental Policies, Laws, and Regulations handbook was used as a guide to achieve the quality assurance objectives of producing data that is complete, representative, and of known precision and accuracy.

The above results of analysis are compared to the National Ambient Air Quality Standards (NAAQS) for source-specific air pollutants from industrial operations. These standards are specified in the Implementing Rules and Regulations of the Philippine Clean Air Act of 1999.

During sampling on December 8, 2023, the weather from stations 1 to 3 was sunny with prevailing light to moderate wind blowing from the Northwest to Southeast. *Thus, the results of **TSP, SO_2, and NO_2, concentrations are within the applicable CAA/IRR standard for 60 minutes of sampling.***

NOISE LEVEL MEASUREMENT MONITORING REPORT

FACILITY NAME: **Benguet Corporation – Acupan Contract Mining Project**

FACILITY ADDRESS: **Virac, Itogon, Benguet**

INTRODUCTION:

Environmental noise is the unwanted or harmful outdoor sound created by human activity. On December 08, 2023, daytime noise level monitoring was conducted in three (3) stations within the premises of their facility located at the above address. Noise level measurement was performed, and the measurement was conducted as part of their environmental monitoring and permit requirements.

OBJECTIVE OF THE MONITORING:

The objective of noise monitoring is to provide data regarding the level of noise in a location so that it may be compared to the National Pollution Control Commission's (NPCC) noise limit standard. It is also to assess the impact of industrial activities on noise pollution and implement mitigation strategies to safeguard both workers well-being and the surrounding environment.

SAMPLING METHODOLOGY:

A precision-type digital sound level meter was used for noise measurement. The said instrument is a LUTRON sound level meter, Model SL-4033SD. The sound level meter meets the IEC 61672 class 1 standard. The sound level meter that was used to measure the level was calibrated at Switchtek Measurement Systems with an acoustical calibrator (Lutron Sound Level). The noise was measured using an “A” weighting network and “slow response” with different limits for various times of the day and area categories. Noise measurement was performed for about 3 minutes per station after the 1-hour ambient sampling activity. The noise sampler was handheld at about thirty degrees (30°) from the plane directly pointing to the facility.

SAMPLING LOCATIONS:

There are three (3) sampling stations for noise level measurement monitoring. The table below shows the location and observations made during the sampling activity.

STN	LOCATION	OBSERVATION / DURING NOISE LEVEL MEASUREMENT
1	Along Keymens Road	The audible noise detected came from the vehicles passed by near sampling point.
2	Near Assay Lab and Met Lab	The audible noise detected came from the vehicles passed by near sampling point.
3	Near BCACMP Office	The audible noise detected came from the vehicles passed by near sampling point.

SUMMARY OF RESULTS:

Table – 3

Noise Level Measurement Monitoring Reading

Location	Time	Median (dBA)	Category of the Area	DENR Standard (dBA)
Along Keymens Road	0950H- 0953H	47.1	Class C	70
Near Assay Lab and Met Lab	1113H-1116H	51.1	Class C	70
Near BCACMP Office	1225H-1228H	51.4	Class A	55

Table - 4

Environmental Noise Quality Standards in General Areas

Category of the Area	**Maximum Allowable Noise (dBA)**		
	Day Time 0900H to 1800H	**Morning & Evening 0500H to 0900H / 1800H to 2200H**	**Nighttime 2200H to 0500H**
AA	50	45	40
A	55	50	45
B	65	60	55
C	70	65	60
D	75	70	65

The Philippines standard for noise is categorized into five (5) classes of sections, and the maximum allowable noise is classified in different time.

Description per Category:

Class AA	A section or contiguous area which requires quietness, such as areas within 100 meters from school sites, nursery schools, hospital, and special home for the aged.
Class A	A section or contiguous area which is primarily used for residential purposes.
Class B	A section or contiguous area which zoned or used as a commercial area.
Class C	A section primarily zoned or used as a light industrial area.
Class D	A section which is primarily reserved, zoned, or used as a heavy industrial area.

DISCUSSION OF RESULTS:

The environmental noise standards are based on Memorandum Circular No. 002 Series of 1980 of the National Pollution Control Commission. The noise was measured using an “A” weighting network and “slow response” with different limits for various times of the day and area categories. The location of Benguet Corporation - Acupan Contract Mining Project. is primarily zoned as a light industrial area (Class C) and primarily zoned for residential area (Class A) with a DENR Daytime Noise Standard of 70 dBA and 55 dBA.

The results of the noise level measurement reading shows that the noise level in ***station 1 and 2 is within the applicable DENR daytime limit of 70 dBA. While stations 3 is within the applicable DENR daytime limit of 55 dBA***. The audible noise detected came from the vehicles passed by near the sampling point.

AMBIENT AIR QUALITY AND NOISE LEVEL MONITORING REPORT

Reference No.: GEPC-AQM-2307-035

Prepared for:

BENGUET CORPORATION - ACUPAN CONTRACT MINING PROJECT

Balatoc, Virac, Itogon, Benguet

Sampling Date: July 4, 2023

Report Date: July 26, 2023

AMBIENT AIR QUALITY AND NOISE LEVEL MONITORING REPORT CERTIFICATION

THREE (3) STATIONS AREA TEST

PARAMETERS

TOTAL SUSPENDED PARTICULATE (TSP)
SULFUR DIOXIDE (SO_2)
NITROGEN DIOXIDE (NO_2)
NOISE LEVEL MEASUREMENT

BENGUET CORPORATION - ACUPAN CONTRACT MINING PROJECT

Balatoc, Virac, Itogon, Benguet

The ambient air sampling and noise level monitoring reported herein were performed by Mr. Danilo M. Palaypay, Jr., Mr. Leo R. Toca and Mr. Reynaldo S. Pile. The analysis of samples were conducted under the direction and supervision of accredited laboratories

I certify that the information contained in this report is authentic and accurate to the best of my knowledge.

Signed: ....
Danilo M. Palaypay, Jr.
QA/QC Manager

Date: JULY 26, 2023

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AMBIENT AIR QUALITY MONITORING REPORT

COMPANY: BENGUET CORPORATION – ACUPAN CONTRACT MINING PROJECT

ADDRESS: Brgy. Balatoc, Itogon Benguet

1.0 INTRODUCTION

Pursuant to Section 12 of Republic Act 8749, **Greentek Environmental Phils. Co.** was contracted by **Benguet Corporation – Acupan Contract Mining Project** to conduct ambient air sampling for three (3) stations within the vicinity of their facility as requirement for the environmental permit and partly for regular environmental monitoring program. On July 04, 2023, ambient air sampling for Total Suspended Particulate (TSP), Sulfur dioxide (SO_2) and Nitrogen dioxide (NO_2) was performed.

Along with this, noise level measurement was also conducted during the sampling program and the results are presented in a separate report.

2.0 SAMPLING METHODOLOGY

The DENR standard ambient sampling equipment and analytical procedures were use in the sampling activity. These equipment and procedures are specified below:

Total Suspended Particulate Matter (TSP)

Reference Procedure:	USEPA, 40 CFR 50, Appendix B & G
Sampling Equipment:	High Volume Sampler (1-Hour Air Sampler)
Method of Analysis:	Gravimetric Method

Sulfur Dioxide (SO_2)

Reference Procedure:	USEPA, 40 CFR 50, Appendix A
Sampling Equipment:	Gas Bubbler Sampler (USEPA compliant)
Method of Analysis:	Pararosaniline Method

Nitrogen Dioxide (NO_2)

Reference Procedure:	Air Pollution Monitoring Manual, EMB-1994
Sampling Equipment:	Gas Bubbler Sampler (USEPA compliant)
Method of Analysis:	Colorimetric, Griess Saltzman

The SO_2 and NO_2 samples were preserved in an icebox, while TSP filters were placed in a clean envelope. The samples were immediately transported to the laboratory for analysis.

3.0 SAMPLING LOCATION

There were three (3) ambient air sampling stations selected for sampling. The said stations are shown in the attached Photos and Vicinity Map (Annex C) and are briefly described as follows:

Station	Location	OBSERVATION / ACTIVITY IN THE AREA DURING THE TIME OF SAMPLING
1	Near Assay Lab and Met Lab **(Upwind)**	The plant facility was operational during sampling and the area was dry with minimal wind. There was an on-going grilling of barbeque near the sampling area. There were fourteen (14) vans/jeepneys and seventeen (17) motorcycles that passed by near the sampling point.
2	Along Keymens Road **(Downwind)**	The plant facility was operational during sampling and the area was dry with minimal wind. There were twenty-four (24) vans/jeepneys and twenty-two (22) motorcycles that passed by near the sampling point.
3	Near Admin Office **(Downwind)**	The plant facility was operational during sampling and the area was dry with minimal wind. There were six (6) service vans/cars that passed by near the sampling point.

4.0 SUMMARY OF AMBIENT AIR SAMPLING RESULTS

The ambient air sampling results are presented below. All supporting field data, analytical reports and calibration records are provided as attachments.

Table 1: Laboratory Analysis and Standard Results

Station	Location	Date / Time Sampling	TSP (µg / Nm^3)	SO_2 (µg / Nm^3)	NO_2 (µg / Nm^3)
1	Near Assay Lab and Met Lab **(Upwind)**	04-Jul-2023 1212H-1312H	237.3	10.9	5.4
2	Along Keymens Road **(Downwind)**	04-Jul-2023 1433H-1533H	107.1	10.9	8.1
3	Near Admin Office **(Downwind)**	04-Jul-2023 1553H-1653H	243.6	10.9	7.3
DENR NAAQ Standards for 60 minutes sampling			**300**	**340**	**260**

The data presented above are measured to standardize the test results to 25°C and 760mmHg and for comparison purposes.

Table 2: Meteorological Monitoring Results

Station	Location (GPS)	Date / Time Sampling	Barometric Pressure. (inch Hg) Result Avg.	Ambient Temp.(˚C) Result Avg.	% Relative Humidity Result Avg.	Wind Speed Avg. (m/s)
1	Near Assay Lab and Met Lab **(Upwind)** N 16°21'33" E 120°39'31"	04-Jul-2023 1212H-1312H	27.17	32.8	45.5	0.6
2	Along Keymens Road **(Downwind)** N 16°21'36" E 120°39'31"	04-Jul-2023 1433H-1533H	27.03	30.6	54.5	1.1
3	Near Admin Office **(Downwind)** N 16°21'38" E 120°39'36"	04-Jul-2023 1553H-1653H	27.10	30.4	61.5	0.3

5.0 DISCUSSION OF RESULTS

The US EPA "Quality Assurance Handbook for Air Pollution Measurement Systems, Environmental Management Bureau, Department of Environment and Natural Resources, Philippine Environmental Policies, Laws and Regulations handbook was used as a guide to achieve the quality assurance objectives of producing data that are complete, representative and of known precision and accuracy.

The above results of analysis are compared to the National Ambient Air Quality Standards (NAAQS) for Source Specific Air Pollutants from Industrial Operations. These standards are specified in the Implementing Rules and Regulations of the Philippine Clean Air Act of 1999.

During sampling last July 04, 2023, the weather in stations 1 to 3 was sunny and with prevailing light to moderate wind blowing from Southwest to Northeast. Thus, ***the results of sampling indicate that TSP, SO_2, and NO_2 concentrations are within the applicable CAA/IRR standard for 60-minute sampling.***

NOISE LEVEL MONITORING REPORT

COMPANY: BENGUET CORPORATION–ACUPAN CONTRACT MNING PROJECT

ADDRESS: Brgy. Balatoc, Itogon Benguet

1.0 INTRODUCTION

On July 04, 2023, daytime noise level monitoring was conducted within the premises of their facility located in the above address. Noise level measurement was performed in three (3) locations. The measurement was conducted as part of the facility's environmental monitoring program and permit requirements.

2.0 SAMPLING METHODOLOGY

A precision type, digital sound level meter was used in noise measurement. The said instrument is a LUTRON sound level meter Model SL-4033SD. The sound level meter meets IEC 61672 Class 1 standard.

The sound level meter was calibrated at Switchtek Measurement Systems with an acoustical calibrator (Lutron Sound Level). The pre-test calibration was performed before measurement for each period where the sound level meter is adjusted to read the 114dB signal provided by the calibrator. Post-test calibration was performed after measurement of all the stations during a given period. Post-test calibration simply verifies that the decibel reading of the sound level meter has not varied by more than 1dB from the initial 114dB setting.

Noise measurement was performed at about 3 minutes per station after the 1-hour ambient sampling activity. The noise sampler was handheld at about thirty degrees (30°) from the plane directly pointing to the facility.

3.0 SAMPLING LOCATIONS

The noise measurement locations are shown in Annex C and all stations are within the Asian Terminals, Inc. premises. There are six (6) sampling locations surrounding the facility.

Station	Noise Location	OBSERVATION / SOURCE OF NOISE DURING THE TIME OF MEASUREMENT
1	Near Assay Lab and Met Lab	The audible noise detected came from the operational plant facility and people conversing near the sampling point.
2	Along Keymens Road	The audible noise detected came from the operational plant facility and vehicles passed by near the sampling point.
3	Near Admin Office	The audible noise detected came from the operational plant facility and people conversing near the sampling point.

4.0 SUMMARY OF RESULTS

Table 3: Noise Monitoring Results

Location	Time	Median (dBA)	Category of the Area	DENR Standard (dBA)
Near Assay Lab and Met Lab	1318H-1321H	56.5	Class C	70
Along Keymens Road	1538H-1541H	61.3	Class C	70
Near Admin Office	1700H-1703H	50.6	Class C	70

Division of 24-hour period

Morning	-	5:00 AM to 9:00 AM
Day Time	-	9:00 AM to 6:00 PM
Evening	-	6:00 PM to 10:00 PM
Night Time	-	10:00 PM to 5:00 AM

Table 4: Environmental Quality Standards for Noise in General Areas

Category of the Area	Day Time (dBA)	Morning and Evening (dBA)	Night Time (dBA)
AA	50	45	40
A	55	50	45
B	65	60	55
C	70	65	60
D	75	70	65

Description per Category:

Class AA — A section or contiguous area which requires quietness, such as area within 100 meters from school sites, nursery schools, hospital, and special home for the aged.

Class A — A section or contiguous area which is primarily used for residential purposes.

Class B — A section or contiguous area which zoned or used as a heavy industrial area.

Class C — A section primarily zoned or used as a light industrial area.

Class D — A section which is primarily reserved, zoned or used as a heavy industrial area.

5.0 DISCUSSION OF RESULTS

The DENR Environmental Quality Standards for Noise is based on Memorandum Circular No. 002 Series of 1980 of the National Pollution Control Commission. The noise was measured in “A” weighting network and “slow response” with different limits for various time of the day and area category. The location of Benguet Corporation – Acupan Contract Mining Project is primarily zoned or used as a light industrial area (Class C) with DENR Daytime Noise Standard of 70dBA.

The results of noise level measurement show that the noise levels in ***stations 1 to 3 are within the applicable DENR daytime limit of 70dBA.*** The audible noise detected during the time of measurement normally came from people having conversation and operating plant facility and vehicles passing by near the sampling area.

Appendix G-2

GREENTEK
Environmental Phils.Co.

AMBIENT AIR QUALITY AND NOISE LEVEL MONITORING REPORT

Reference No.: GEPC-AQM-2303-013

Prepared for:

BENGUET CORPORATION – ACUPAN CONTRACT MINING PROJECT
Brgy. Balatoc, Virac, Itogon, Benguet

Sampling Date: March 28, 2023

Report Date: April 19, 2023

AMBIENT AIR QUALITY AND NOISE LEVEL MONITORING REPORT CERTIFICATION

THREE (3) STATIONS AREA TEST

PARAMETERS

TOTAL SUSPENDED PARTICULATE (TSP)
SULFUR DIOXIDE (SO_2)
NITROGEN DIOXIDE (NO_2)
NOISE LEVEL MEASUREMENT

BENGUET CORPORATION – ACUPAN CONTRACT MINING PROJECT

Brgy. Balatoc, Virac, Itogon, Benguet

The ambient air quality and noise level monitoring reported herein were performed by Mr. Angelo V. Guevarra, Mr. Manny R. Cruz, and Mr. Anthony M. Cabungcal. The analysis of samples was conducted under the direction and supervision of the accredited laboratories.

I certify that the information contained in this report is authentic and accurate to the best of my knowledge.

Signed: ....
Danilo M. Palaypay, Jr.
QA/QC Manager

Date: April 19, 2023

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AMBIENT AIR QUALITY MONITORING REPORT

COMPANY: **BENGUET CORPORATION – ACUPAN CONTRACT MINING**

ADDRESS: **Brgy. Balatoc, Virac, Itogon, Benguet**

1.0 INTRODUCTION

Pursuant to Section 12 of Republic Act 8749, **Greentek Environmental Phils Co.** formerly **(Greentek Environmental Engineering Services)** was contracted by **Benguet Corporation – Acupan Contract Mining Project** to conduct ambient air sampling for three (3) stations within the vicinity of their facility as requirement for environmental permit and partly for regular environmental monitoring program. On March 28, 2023, ambient air sampling for Total Suspended Particulate (TSP), Sulfur dioxide (SO_2) and Nitrogen dioxide (NO_2) was performed.

Along with this, noise level measurement was also conducted during the sampling activity and the results are presented in a separate report.

2.0 SAMPLING METHODOLOGY

The DENR standard ambient sampling equipment and analytical procedures were used in the sampling activity. These equipment and procedures are specified below:

Total Suspended Particulate Matter (TSP)

Reference Procedure:	USEPA, 40 CFR 50, Appendix B
Sampling Equipment:	High Volume Sampler (1-Hour Air Sampler)
Method of Analysis:	Gravimetric Method

Sulfur Dioxide (SO_2)

Reference Procedure:	USEPA, 40 CFR 50, Appendix A
Sampling Equipment:	Gas Bubbler Sampler (USEPA compliant)
Method of Analysis:	Pararosaniline Method

Nitrogen Dioxide (NO_2)

Reference Procedure:	Air Pollution Monitoring Manual, EMB-1994
Sampling Equipment:	Gas Bubbler Sampler (USEPA compliant)
Method of Analysis:	Colorimetric, Griess Saltzman

The SO_2 and NO_2 samples were preserved in an icebox, TSP filters were enclosed on a clean white paper protected with envelope. The TSP, SO_2 and NO_2 samples were immediately transported to respective laboratories.

3.0 SAMPLING LOCATION

There were three (3) ambient air sampling stations selected for sampling. The said stations are shown in the attached Photos (Annex C) and are briefly described as follows:

Station	Location	OBSERVATION / ACTIVITY IN THE AREA DURING THE TIME OF SAMPLING
1	Beside Admin Office **(Upwind)**	The plant facility was fully operational during the sampling activity. The sampling area was dry and had light winds. There were six (6) cars that passed by near the sampling area.
2	Along Keymen's Road **(Downwind)**	The plant facility was fully operational during the sampling activity. The sampling location was along Keymen's road. The area was dry and had light to moderate winds. There were sixteen (16) motorcycles twenty-six (26) cars that passed by near the sampling area.
3	Near Assay Lab **(Downwind)**	The plant facility was fully operational during the sampling activity. The sampling location was located near Assay lab and met lab. The area was dry and had light to moderate winds. There were three (3) cars and one (1) motorcycle that passed by near the sampling area.

4.0 SUMMARY OF AMBIENT AIR SAMPLING RESULTS

The ambient air sampling results are presented below. All supporting field data, analytical reports and calibration records are provided as attachments.

Table 1: Laboratory Analysis and Standard Results

Station	Location	Date / Time Sampling	TSP (μg / Nm³)	SO_2 (μg / Nm³)	NO_2 (μg / Nm³)
1	Beside Admin Office **(Upwind)**	28-Mar-2023 1047H-1147H	240.5	10.9	9.4
2	Along Keymen's Road **(Downwind)**	28-Mar-2023 1244H-1344H	93.0	11.0	8.0
3	Near Assay Lab **(Downwind)**	28-Mar-2023 1405H-1505H	133.2	10.9	11.8
DENR NAAQ Standards for 60 minutes sampling			**300**	**340**	**260**

These data are measured to standardize the test results to 25°C and 760mmHg and for comparison purpose.

Table 2: Meteorological Monitoring Results

Station	Location (GPS)	Date / Time Sampling	Barometric Pressure. (inch Hg) Result Avg.	Ambient Temp.(°C) Result Avg.	% Relative Humidity Result Avg.	Wind Speed Avg. (m/s)
1	Beside Admin Office **(Upwind)** N 16°21'38" E 120°39'36"	28-Mar-2023 1047H-1147H	27.19	32.2	45.2	0.7
2	Along Keymen's Road **(Downwind)** N 16°21'36" E 120°39'32"	28-Mar-2023 1244H-1344H	27.07	34.1	48.0	1.1
3	Near Assay Lab and Met Lab **(Downwind)** N 16°21'33" E 120°39'31"	28-Mar-2023 1405H-1505H	27.15	31.4	64.2	0.4

5.0 DISCUSSION OF RESULTS

The US EPA "Quality Assurance Handbook for Air Pollution Measurement Systems, Environmental Management Bureau, Department of Environment and Natural Resources, Philippine Environmental Policies, Laws, and Regulations handbook was used as a guide to achieve the quality assurance objectives of producing data that are complete, representative and of known precision and accuracy.

The above results of analysis are compared to the National Ambient Air Quality Standards (NAAQS) for Source-Specific Air Pollutants from Industrial Operations. These standards are specified in the Implementing Rules and Regulations of the Philippine Clean Air Act of 1999.

During sampling last March 28, 2023, the weather from station 1 and station 2 was sunny and had a prevailing light to minimal wind blowing from east to west, while station 3 was drizzle to cloudy with a minimal wind blowing from east to west Thus, ***the results of sampling indicate that the TSP, SO_2, and NO_2 concentrations for stations 1 to 3 are within the applicable CAA/IRR standard for 60 minutes sampling.***

NOISE LEVEL MONITORING REPORT

COMPANY: **BENGUET CORPORATION – ACUPAN CONTRACT MINING PROJECT**

ADDRESS: **Balatoc, Virac, Itogon, Benguet**

1.0 INTRODUCTION

On March 28, 2023, daytime noise level monitoring was conducted within the premises of their facility located at the above address. Noise level measurement was performed in three (3) locations. The measurement was conducted as part of the facility's environmental monitoring program and permit requirements.

2.0 SAMPLING METHODOLOGY

A precision type, digital sound level meter was used in noise measurement. The said instrument is a LUTRON sound level meter Model SL-4033SD. The sound level meter meets IEC 61672 Class 1 standard.

The sound level meter was calibrated at Switchtek Measurement Systems with an acoustical calibrator (Lutron Sound Level). The pre-test calibration was performed before measurement for each period where the sound level meter is adjusted to read the 114dB signal provided by the calibrator. Post-test calibration was performed after measurement of all the stations during a given period. Post-test calibration simply verifies that the decibel reading of the sound level meter has not varied by more than 1dB from the initial 114dB setting.

Noise measurement was performed at about 3 minutes per station after the 1-hour ambient sampling activity. The noise sampler was handheld at about thirty degrees (30°) from the plane directly pointing to the facility.

3.0 SAMPLING LOCATIONS

The noise measurement locations are shown in Annex C and all stations are within the Benguet Corporation – Acupan Contract Mining Project premises.

Station	Noise Location	OBSERVATION / SOURCE OF NOISE DURING THE TIME OF MEASUREMENT
1	Beside Admin Office	The audible noise detected came from chirping of birds and nearby people that observed the monitoring activity.
2	Along Keymen's Road	The audible noise detected came from the mixing noise at BC-ACMP near the sampling point.
3	Near Assay Lab	The audible noise detected from the people who where talking near the sampling point.

4.0 SUMMARY OF RESULTS

Table 3: Noise Monitoring Results

Location	Time	Median (dBA)	Category of the Area	DENR Standard (dBA)
Beside Admin Office	1150H-1153H	50.8	Class C	70
Along Keymen's Road	1348H-1351H	67.5	Class C	70
Near Assay Lab	1509H-1512H	55.2	Class C	70

Division of 24-hour period

Morning	-	0500H to 0900H (5:00 AM to 9:00 AM)
Day Time	-	0900H to 1800H (9:00 AM to 6:00 PM)
Evening	-	1800H to 2200H (6:00 PM to 10:00 PM)
Nighttime	-	2200H to 0500H (10:00 PM to 5:00 AM)

Table 4: Environmental Quality Standards for Noise in General Areas

Table 4: Environmental Quality Standards for Noise in General Areas

Category of the Area	Day Time (dBA)	Morning and Evening (dBA)	Nighttime (dBA)
AA	50	45	40
A	55	50	45
B	65	60	55
C	70	65	60
D	75	70	65

Description per Category:

Class AA — A section or contiguous area which requires quietness, such as areas within 100 meters from school sites, nursery schools, hospital, and special home for the aged.

Class A — A section or contiguous area which is primarily used for residential purposes.

Class B — A section or contiguous area which zoned or used as a commercial area.

Class C — A section primarily zoned or used as a light industrial area.

Class D — A section which is primarily reserved, zoned, or used as a heavy industrial area.

5.0 DISCUSSION OF RESULTS

The DENR Environmental Quality Standards for Noise is based on Memorandum Circular No. 002 Series of 1980 of the National Pollution Control Commission. The noise was measured in "A" weighting network and "slow response" with different limits for various time of the day and area category. The location of Benguet Corporation – Acupan Contract Mining Project (BC-ACMP Assay Laboratory). is primarily reserved zoned or used as a light industrial area (Class C) with DENR Daytime Noise Standard of 70dBA.

The results of noise level measurement show that ***the noise levels in stations 1 to 3 are within the applicable DENR daytime limit of 70dBA.*** The audible noise detected came from the vehicles passing by and nearby residential noises.

Appendix H

Document Title	EMS GUIDELINES			BenguetCorp
Process	Hazardous Waste Management (Used Oil, Oil and Grease Contaminated Items)			
Document Code	DRCS-12-07-A_EMSG_HWMCI	Revision No.	01	Effective Date: Jan. 1, 2023
Department	Mill, Mill Mechanical, Mine Mechanical, Motorpool, Warehouse, MEPEO Department			Page Number: Page **1** of **1**

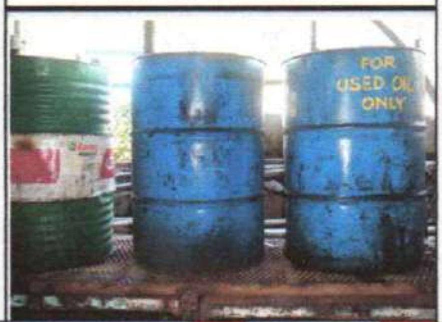
Prepared by:	Reviewed by:	Approved by:
CJ CHAPDIAN	BGO EMS	VB BONGALOS JR.

USED OIL

Each department will assign designated storage area for used oil

USED OIL

Use tightly sealed and properly labeled containers



USED OIL

When full, notify MEPEO Dept for proper inventory & documentation

USED OIL

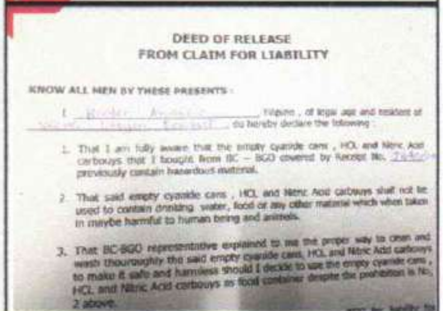
Collected containers will be stored in a centralized temporary storage

USED OIL

Accumulated used oil will be sold to interested parties

USED OIL

A signed waiver will be issued to by the buyer to the company



DEED OF RELEASE
FROM CLAIM FOR LIABILITY

KNOW ALL MEN BY THESE PRESENTS:

1. That I am fully aware that the empty cyanide cans, HCL and Nitric Acid carboys that I bought from BC – BGO covered by Receipt No. [illegible] previously contain hazardous material.
2. That said empty cyanide cans, HCL and Nitric Acid carboys shall not be used to contain drinking water, food or any other material which when taken in maybe harmful to human being and animals.
3. That BC-BGO representative explained to me the proper way to clean and wash thouroughly the said empty cyanide cans, HCL and Nitric Acid carboys to make it safe and harmless should I decide to use the empty cyanide cans, HCL and Nitric Acid carboys as food container despite the prohibition in No. 2 above.

USED OIL

Used oil from mill mechanical will be re-used

OIL-CONTAMINATED

All contaminated items will be disposed in hazardous trash bin

OIL-CONTAMINATED

When full, seal the container and notify MEPEO Dept for inventory

OIL-CONTAMINATED

Collected containers will be stored in a centralized temporary storage

OIL-CONTAMINATED

Contact an EMB-accredited Treatment/Storage/Disposal Company

OIL-CONTAMINATED

Used spill kit materials are disposed in the hazardous trash bin

MASTER COPY

Republic of the Philippines
Department of Environment and Natural Resources
ENVIRONMENTAL MANAGEMENT BUREAU
Cordillera Administrative Region
Baguio City

Appendix I

ENVIRONMENTAL COMPLIANCE CERTIFICATE

CAR 1012 – 174 – 2110 (Amended)

The Department of Environment and Natural Resources (DENR) thru the Environmental Management Bureau – Cordillera Administrative Region (EMB-CAR) hereby grants this Environmental Compliance Certificate (ECC) for the **Acupan Contract Mining Project (ACMP)** of **Benguet Corporation** located at the former Balatoc Power Station Area, Virac, Itogon, Benguet, after complying with the Environmental Impact Assessment (EIA) requirements as prescribed in the promulgated guidelines implementing section 3 (b) of P.D. 1586.

This Certificate is further specified as follows:

A. Scope:

1. This Certificate is valid only for the abovecited project with a rated milling capacity not to exceed 300 dry metric tons per day (300 DMT/Day) and/or as described in the submitted documents.

2. This Certificate does not exempt the project from the requirements of other concerned agencies;

B. Conditions:

1. The development and operation of the project shall be in accordance with the plans and specifications described in the submitted documents. Any major modification and/or expansion shall be subject to the Environmental Impact Statement (EIS) System requirement;

2. The proponent shall cause the implementation of the Environmental Management Plan (EMP) and all other BC commitments described in the submitted EIA documents;

3. Tailings and other wastes generated from the operation of the plant shall be contained and disposed-off properly in the designated pollution control facility(ies) as described in the submitted EIA documents;

4. Pond/plant effluent discharges shall conform with the standards set forth under RA 9275 otherwise known as the Clean Water Act of the Philippines and its implementing Rules and Regulations;

5. Piezometer monitoring station(s) shall be installed along strategic area(s) at tailings pond nos. 1 and 2 (TP #1 & TP #2) to monitor phreatic level stability;

6. The legal requirements pursuant to RA 6969 also known as the Toxic Substances and Hazardous and Nuclear Waste Control Act of 1990, RA 9275 or the Philippine Clean Water Act of 2004 and, RA 8749 or the Philippine Clean Air Act of 1999 shall be secured consistent to the operations of the plant. Compliance to said requirements shall be coordinated with the EMB-CAR;

7. Should there be a breakdown in the pollution control appurtenances and/or major damage(s) incurred, the proponent shall voluntary cease its operation until such time that said damages incurred shall be rehabilitated or restored. Further, the proponent shall immediately inform the EMB, DENR-CAR of said damages and of the remedial measures undertaken;

8. The proponent shall submit to EMB-CAR one (1) year prior to the final shutdown of the plant a comprehensive abandonment plan. In relation, the EMB shall first review and approve the environmental aspects/components of the plan consistent with EMB functions prior to implementation;

9. To oversee the compliance of the proponent with the ECC conditions, the proponent shall maintain the operation of the established Sectoral Monitoring Team including the Environmental Monitoring Fund (EMF) to cover all costs attendant to the said monitoring.

10. The project is subject to on-the-spot monitoring/inspection at any reasonable time by the EMB-CAR which may be in coordination with concerned groups.

11. The proponent shall cause the implementation of any undertaking which may be imposed by the EMB-CAR as a result of Technical Conference/s called relative hereof;

12. This Certificate supersedes the Environmental Compliance Certificate (ECC) NO. CAR 0211-144-120 issued the project on November 29, 2002.

13. This Certificate shall be deemed automatically expired if the project is not implemented within five (5) years from the date of issuance; and

14. Any transfer of project proprietorship or project name carries the same conditions in this ECC for which notification to the EMB-CAR shall be made by the proponent within fifteen (15) days from such transfer.

Non-compliance with any of the above stipulations will be sufficient cause for the suspension or cancellation of this Certificate, administrative sanctions against the office head and/or imposition of fine in the amount not to exceed Fifty Thousand Pesos (₱

50,000.00) for every violations thereof, at the discretion of the DENR (Section 9 of P. D. 1586).

C. Recommendations (for the consideration of the project proponent, the PMRB-Benguet/MGB-CAR and, other concerned agencies in the issuance of applicable permits/authorities):

1. The recommendations cited in the Geotechnical Analysis of Dam and Review of the Hydrology for the Re-mining of Tailings from the BGO Tailings Ponds No. I, II, & III final report, where applicable, should be given preferential consideration under the requirements of the MGB-CAR;

2. Qualified local residents should be given priority employment during the development and operation of the project;

3. Construction works should be under the tight supervision of a technical personnel to ensure that standards and requirements of sound engineering, safety and health practices are strictly followed;

4. An emergency response and contingency plan in the event of failure of any of the project appurtenant facilities and/or during disaster/calamity; and

5. The appurtenant physical structures and equipment of the project, where applicable, are subject to the requirements of the National Building Code of the Philippines and the permitting requirements of MGB-CAR/LGU-concerned.

Issued this ______day of 15 DEC 2010, Year Two Thousand Ten.

RECOMMENDING APPROVAL:	APPROVED:
NESTOR M. DONAAL Chief, EIA Division	**PAQUITO T. MORENO, JR.** Regional Director

Amendment of ECC Condition	₱ 1,200.00	O.R. No. ______	Date ______
Legal Research Fee	₱ 240.00	O.R. No. ______	Date ______

NOTE: NOT VALID WITHOUT SEAL

	Document Title	REGISTRY OF COMPLIANCE OBLIGATIONS			
	Document Code	DRCS-11_EMS_CO_01	Revision	8	
	Department	MEPEO	Effective Date	January 16, 2023	
Prepared by:		Reviewed By:		Approved By:	
CJ CHAPDIAN / JR SALAYOG		BGO EMS		VALERIANO B. BONGALOS JR.	

No.	Governing Laws, Rules and Regulations	Applicable Requirement	Interested Parties	Evidence of Compliance	Status of Compliance	Remarks
	General Environment					
1	**PD 1586 Establishing an Environment Impact Statement System including other Environmental Manangement related measures and for other** purposes **DAO 2003-30** Implementing Rules and Regulations (IRR) for the Philippine Environmental Impact Statement (EIS) System	Securing ECC	DENR - EMB		**COMPLIANT**	Restricted to 300 tonnes per day
2	**DAO 2014-02- Revised Guidelines for Pollution Control Officer Accreditation**	Accreditation of Pollution Control Officer	*DENR - EMB*		**COMPLIANT**	Accreditation is valid until March 6, 2023
3		*Training Course for Managing Head*			**COMPLIANT**	Attended by VBB on Feb. 17, 2020
4	**DAO 2003-27** **Amending DAO 26, DAO 29 and DAO 81, Among others on the Submission of Self-Monitoring-Report (SMR)**	Preparation and Submission of Self Monitoring-Report (SMR)	DENR/ EMB		**COMPLIANT**	Submitted on January 15, 2022, 10:06am thru Online
5	**R.A. 9003 Ecological Solid Waste Management Act of 2000;**	Section 4, Segragation, Collection and	DENR - EMB		**COMPLIANT**	
6					**COMPLIANT**	Submited: Nov. 29, 2022 Solid waste management is included into the program

No.	Governing Laws, Rules and Regulations	Applicable Requirement	Intere. Parties	Evidence of Compliance	Status of Compliance	Remarks
7	DAO 2001-34 Implementing Rules & Regulations of RA 9003	Transport of Solid Waste			COMPLIANT	Submitted on January 15, 2022, 10:06am thru Online
8	R.A. 9275 Philippine Clean Water Act of 2004;	*Section 14: Discharge Permit*	DENR - EMB			Expiry date: November 19, 2022
9					COMPLIANT	Expiry date: July 21, 2022
10	DAO 2005-10 Implementing Rules & Regulations of RA 9275				COMPLIANT	Expiry date: July 21, 2022
11		*Section 14.6: Self-Monitoring Report*	DENR - EMB		COMPLIANT	SMR 4th Qtr 2021 - Module 3
12	DAO 2016-08 Water Quality and General Effluent Standards 0f 2019				COMPLIANT	Date sampled: November 8, 2022
13					COMPLIANT	Date sampled: December 23, 2022
14					COMPLIANT	Date sampled: December 23, 2022
15					COMPLIANT	Date sampled: December 23, 2022
16					COMPLIANT	Date Issued: May 22, 2021 Date Expires:January 22, 2026
17					COMPLIANT	Period of Validity: June 27, 2022 to June 27, 2025

No.	Governing Laws, Rules and Regulations	Applicable Requirement	Interested Parties	Evidence of Compliance	Status of Compliance	Remarks
18	*R.A. 8749 Philippine Clean Air Act of 1999; Article 4, Section 21-Pollution From Motor Vehicles Article 5, Section 24 Pollution From Other Sources DAO 2000-81 Implementing Rules & Regulations of RA 8749*	Permit to Operate of Air Polltion Sources	DENR - EMB		COMPLIANT	Issued: February 13, 201 Expires on February 12, 2024
19					COMPLIANT	Issued: March 11, 2020 Expires on February 16, 2025
20						Issued: June 22, 2017 Expires on June 21, 2022
21					COMPLIANT	Issued: May 22, 2018 Expires on May 21, 2023
R.A. 6969, Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990;						
DAO 1992-29 Implementing Rules & Regulations of RA 6969						
22	***DAO NO. 1997-39 Chemical Control Order for Cyanide and Cyanide Compounds***	*Securing CCO Reg. Cert.*	*DENR - EMB*	*RCN: CCOr-CAR-CN-2020-00058*	COMPLIANT	Online registration Issued on March 4, 2020
23	***DAO NO. 2013-24 Chemical Control Order for Lead and Lead Compounds***	*Securing CCO Reg. Cert.*		*RCN: CCO-2016-025Pb*	COMPLIANT	CONTROLLED COPY
24	***DAO NO. 2013-24 Chemical Control Order for Lead and Lead Compounds***	*Securing CCO Reg. Cert.*		*RCN: CCO-PCB-RCAR-BEN-32*	COMPLIANT	MASTER COPY
25	***MEMORANDUM CIRCULAR NO. 2003 – 008 Series of 2003-Procedural and Reference Manual for DAO 2003-27***	*Quarterly SMR submission/s*			COMPLIANT	SMR 4th Qtr 2022- Module 2

No.	Governing Laws, Rules and Regulations	Applicable Requirement	Interested Parties	Evidence of Compliance	Status of Compliance	Remarks
26	**DAO 2013-22, Revised Procedures and Standards for the Management of Hazardous Waste (Revising DAO 2004-36)** **3.3 Requirement for Waste Generators**	*1. Hazardous Waste Genarator Registration Certificate*	*DENR - EMB*		**COMPLIANT**	
27		2. Quarterly Report (SMR)			**COMPLIANT**	Submitted on January 13, 2023 thru Online
28		*3. Comprehensive Emergency Contingy PlanS*			**COMPLIANT**	
29		4. Storage and Labeling requirements		*EMS Guidelines* *EMSG-01, EMGS-02, EMSG-03, EMSG-07-A, EMSG-07-B, EMSG-07-C, EMSG-07-D, EMSG-07-E, EMSG-07-F, EMSG-07-G, EMSG-07-H, EMSG-07-I, EMSG-07-J, EMSG-07-K, EMSG-07-L,EMSG-07-M, EMSG-07-N*	**COMPLIANT**	
30	***DAO 2013-22, 4.0 Governing Rules and Regulation for Hazardous Waste Transporter Section 26. Waste Generators***	Registered Waste Tranporters, Duly Authorized by DENR	*DENR - EMB*		**COMPLIANT**	
31	***DAO 2013-22, 4.0 Governing Rules and Regulation for Hazardous Waste Transporter Section 27 Waste Transporter***	Waste Generator ID	*DENR - EMB*		**COMPLIANT**	
32	***DAO 1992-29, Section 29. Hazardous Waste Storage and Labelling*** ***DOA 136-14 Guidelines for the Implementation of Globally harmonized System (GHS) in Chemical safety Program in the Workplace***	Storage & Labelling requirements	*DOLE, DENR - EMB*	*EMS GUIDELINES*	**COMPLIANT**	MASTER COPY
	DAO 2013-22, 4.0 Governing Rules and Regulation				CONTROLLED COPY	Expiration Date: April 06, 2022.

No.	Governing Laws, Rules and Regulations	Applicable Requirement	Interested Parties	Evidence of Compliance	Status of Compliance	Remarks
33	***for Hazardous Waste Transporte, 50 Governing Rules and Regulations for Hazardous Waste Treatment Storage and Disposal (TSD) Facilities.***	TSD Registration Certificate	*DENR - EMB*			
R.A. 7942 Philippine Mining Act of 1995						
DAO 2010-21 Implementing Rules & Regulations of RA 7942						
34	Section 270. Reporting Requirements	Records of Extraction	MGB		**COMPLIANT**	
35	Section 166. General Provision for Environmental protection Section 168. Environmental Work Program (EWP)	Establishment of Environmental Protection Program	MGB		**COMPLIANT**	EPEP Certificate of Approval Date: October 2, 2020
36	Section 169. Environmental Protection and Enhancement Program Section 171. Annual Environmental Protection and Enhancement Program				**COMPLIANT**	Submited: Nov. 29, 2022
37	Section 173. Organization of a Mine Environmental Protection and Enhancement Office (MEPEO)	Establishment of MEPEO as integral part of Mine Organization	MGB		**COMPLIANT**	MASTER COPY
38	Section 174. Environmental Monitoring Audit	Monitoring by MMT at least every quarter	MGB		**COMPLIANT**	Submitted: [illegible], 2023 CONTROLLED COPY

No.	Governing Laws, Rules and Regulations	Applicable Requirement	Interested Parties	Evidence of Compliance	Status of Compliance	Remarks
39	Section 189. Mine Waste and Tailings Fess Reserve Fund Section 190. Mine Waste and Tailings Fees Section 191. Payment of Mine Waste and Tailings Fees Due	MWT payment semi-annually	MGB		COMPLIANT	Awaiting for the validation of MGB-CAR and Order of Payment from MGB-Central Office for 2nd Sem. 2022
40	Section 270. Reporting Requirements: n. Semiannual Status Report on the Environmental Work DAO 2010-21 Revised Implementing Rules and Regulations of R.A. 7942, otherwise known as the Philippine Mining Act of 1995	Monthly, Quarterly and Integrated Annual Reporting	MGB		COMPLIANT	Submited: January 13, 2023
41	DAO 2015-02 on the harmonization of the Philippine Environmental Impact System and the Philippine Mining Act of 1995 in relation to Mining Projects.				COMPLIANT	Submited: January 31, 2023
42	Executive Order 26 of 2011 and Executive Order 193 of 2015 - Enhanced National Greening Program	Implementation and Quarterly Submission of National Greening Program (NGP) Report	MGB/CENRO		COMPLIANT	Submitted: Jan. 11, 2023
43	Administrative Order (DAO) No. 22, series of 1989 - Adopt-A-Tree Adopt-A-Mining Forest Program	Implementation and Semi Annual Submission of Mining Forest Program Report	MGB		COMPLIANT	Submitted: Jan. 11, 2023
44	MGB-MEMORANDOM dated July 10, 2020 - Establishment of Bamboo Plantation in Mining Areas	Submission Quarterly Accomplishment Report	MGB		COMPLIANT	Submitted: Jan. 11, 2023

SUMMARY OF ENVIRONMENTAL COMPLIANCE OBLIGATIONS

Number of Compliant	44
Number of Non- Compliant	0
% Compliant	100%

	Document Title	REGISTRY OF COMPLIANCE OBLIGATIONS - BGO			
	Document Code	DRCS-11_EMS_CO_02	Revision	8	
	Department	SAFETY	Effective Date	January 16, 2023	

Prepared by:	Reviewed By:	Approved By:
CJ CHAPDIAN /	BGO EMS	VALERIANO B. BONGALOS JR.

In- charge: SAFETY DEPARTMENT

No.	Governing Laws, Rules and Regulations	Applicable Requirement	Interested Parties	Evidence of Compliance	Status of Compliance	Remarks
R.A. 7942 Philippine Mining Act of 1995; DAO 2010-21 Implementing Rules & Regulations of RA 7942						
DAO 2000-98 Mine Safety and Health Standards						
1	Section 142. Responsibilities of a Contractor/ Permittee/ Lessee/ Permit Holder and Secvice contractor	Establishment of Safety and Health Program	MGB		COMPLIANT	Received: Dec ember 12, 2023
2	Section 270. Reporting Requirements	Monthly, Quarterly and Integrated Annual Reporting	MGB		COMPLIANT	Submitted: February 24, 2022, March 2, 2022, May 13, 2022, May 17, 2022, October 6, 2022, October 25, 2022, November 25, 2022
3	Section 3, Rule 12 With Safety and Health Office (SHO)	Established SHO, Table of Organization under direct supervision of the Manager	MGB		COMPLIANT	(please see on SHP 2023, BC-ACMP page 16)
4	DAO 2010-21, Section 146. Registration of Safety Engineer and Safety Inspector	Registered Safety			COMPLIANT	

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No.	Governing Laws, Rules and Regulations	Applicable Requirement	Interested Parties	Evidence of Compliance	Status of Compliance	Remarks
5	DAO 2000-98Section 2, Rule 8-11, With Safety Engineer/ Inspector	Engineer/Safety Inspector	MGB		COMPLIANT	No. of Safety Engr.: 10 No. of Safety Inspectors: 26
6	Section 5, Rule 21.2 or Rule 27 With Central Safety and Health Committee (CSHC)	Central Safety and Health Committee established, verified through minutes of meetings/attendance /logbook/photo documentation	MGB		COMPLIANT	Election Date: December 7, 2022
7	Section 5, Rule 21.2 Safety and Health Policy	Safety & Health Policy Satement signed by highest official on Site/President & strategically located on all work areas	MGB		COMPLIANT	CONTROLLED COPY MASTER COPY
8	Rule 1209 Submission of Fatal to RO concerned within 15 days after the date of accident (if applicable)	Investigation Report	MGB		COMPLIANT	Conducted on: June 13, 2022
9	Rule 30 Conduct of Monthly CSHC Meetings	CSHC monthly minutes of meetings	MGB		COMPLIANT	Conducted on: December 7, 2022

No.	Governing Laws, Rules and Regulations	Applicable Requirement	Interested Parties	Evidence of Compliance	Status of Compliance	Remarks
10	Rule 21.22 Conduct of Departmental Safety and Health Meetings/ Conduct of Pep talk or Toolbox Meetings	Departmental meetings on Safety and Health conducted regularly (monthly/quarterly as per SHP)/ Pep talk or Toolbox Meetings conductedRegularly (per shift/daily as per SHP)	MGB		COMPLIANT	Conducted on: November 8-12, 2022
11	Section 5, Rule 21.6 Presence of Safety and Health Rules and Regulations that includes Standard Operating Procedures and Protocols	Safety and Health Rules and Regulations manual/handbook, preferably with translation in local dialect and distributed every employee	MGB		COMPLIANT	Updated: September 25, 2017
12	Section 49, Rule 637 Preparation/ Presence of Emergency Response and Preparedness Program	Emergency Response and Preparedness Program	MGB	**DRCS-29 (Emergency Response Program)**	COMPLIANT	EMS mannual
13	Section 49, Rule 637,c. i. organization of crisis management group;	Emergency Response Team	MGB		COMPLIANT	Updated: December 1, 2022(page 88 BC-ACMP ASHP CY 2023)
	Section 49, Rule 638 - The employer shall ensure thet an emergency drill be conducted quarterly, in order to test the effectiveness of the program.					

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No.	Governing Laws, Rules and Regulations	Applicable Requirement	Interested Parties	Evidence of Compliance	Status of Compliance	Remarks
14	Section 49, Rule 639 - The employer shall be required to submit to the Bureau, copy furnished the Regional Office, a report on the conduct of the emergency drill as required in Rule 638.	Quarterly Emergency Drill Reports	MGB		COMPLIANT	Dates conducted: April 12, 2022, May 4, 2022, December 12, 2022

	SUMMARY OF ENVIRONMENTAL COMPLIANCE OBLIGATIONS	
	Number of Compliant	**14**
	Number of Non- Compliant	**0**
	% Compliant	**100%**

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	Document Title	**REGISTRY OF COMPLIANCE OBLIGATIONS - BGO**			
	Document Code	DRCS-11_EMS_CO_03	Revision	8	
	Department	COMREL	Effective Date	January 16, 2023	
Prepared by:		**Reviewed By:**		**Approved By:**	
CJ CHAPDIAN / KB LORENA		BGO EMS		VALERIANO B. BONGALOS JR.	

In- charge: **COMREL DEPARTMENT**

No.	Governing Laws, Rules and Regulations	Applicable Requirement	Interested Parties	Evidence of Compliance	Status of Compliance	Remarks
R.A. 7942 Philippine Mining Act of 1995						
DAO 2010-21 Implementing Rules & Regulations of RA 7942						
1	Section 134. Development of mining Community, Mining Technology and Geosciences, and Institutionalization of Public awareness and Education on Mining and Geosciences Section 136-B. Processing and Approval of the SDMP, and the Program on Developments of Mining Technology and Geosciences, IEC and CDP Section 136-D. Monitoring and Auditing of Annual SDMP and Annual Programs on Development Of Mining Technology and on IEC and CDP Section 137. Contribution to the Advancement of Mining Technology and Geosciences	Program for development	MGB		COMPLIANT	Submitted on: Dec. 28, 2022 Complete copy is available at the COMREL Dept.
2					COMPLIANT	Submitted on January 30, 2023

CONTROLLED COPY

MASTER COPY

No.	Governing Laws, Rules and Regulations	Applicable Requirement	Interested Parties	Evidence of Compliance	Status of Compliance	Remarks
3	Section 136. Duties and Responsibilities of the Contractor/ Permit Holder/ Lessee on the Development of the Host and Neighboring Communities	Program for host & neighboring communities	MGB		COMPLIANT	Submitted on January 14, 2023
4	Section 136-C. Organization of Community Relations Office	Establishment of Community Relations Office	MGB		COMPLIANT	
5	Chapter XIV (Development of Mining Communities, Sciences and Mining Technology) of DENR Administrative Order No. 96-40, as Amended, the revised implementing rules and regulations of Republic Act No. 7942 otherwise known as the "Philippine Mining Act og 1995"		MGB		COMPLIANT	Submitted on: Dec. 28, 2022 Complete copy is available at the COMREL Dept.

SUMMARY OF ENVIRONMENTAL COMPLIANCE OBLIGATIONS	
Number of Compliant	5
Number of Non- Compliant	0
% Compliant	100%

CONTROLLED COPY

MASTER COPY

	Document Title	REGISTRY OF COMPLIANCE OBLIGATIONS			
	Document Code	DRCS-11_EMS_CO_04	Revision	8	
	Department	MTME	Effective Date	January 16, 2023	

Prepared by:	Reviewed By:	Approved By:
CJ CHAPDIAN / MA TALOSIG	BGO EMS	VALERIANO B. BONGALOS JR.

In- charge: **MTME DEPARTMENT**

No.	Governing Laws, Rules and Regulations	Applicable Requirement	Interested Parties	Evidence of Compliance	Status of Compliance	Remarks
R.A. 7942 Philippine Mining Act of 1995						
DAO 2010-21 Implementing Rules & Regulations of RA 7942						
1	DAO Administrative Order No. 2010-13 Amendments to Section 16 (Ancestral Lands)		MGB		COMPLIANT	
2	Section 19. Application for Exploration/mandatory Requirements	Exploration Permit Application EPA	MGB		COMPLIANT	Issued: December 15, 2021
3	Section 270. Reporting Requirements	Records of Extraction	MGB		COMPLIANT	Report period: January 2023 Submitted: Feb. 15, 2023
4					COMPLIANT	Submitted: Jan. 13, 2023

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No.	Governing Laws, Rules and Regulations	Applicable Requirement	Interested Parties	Evidence of Compliance	Status of Compliance	Remarks
5					COMPLIANT	Submitted:
6	R.A. 7942 Philippine Mining Act of 1995 R.A. 7920, New Electrical Enginering Law	Electrical/ Mechanical Installations Permit	MGB PSME		COMPLIANT	
7	PD No. 856, Code on Sanitation of the Philippines	Annual LGU Sanitary inspection (Municipal Health Office)	LGU		COMPLIANT	Issued Date: February 13, 2023 Expiration date: Dec. 31, 2023
8	*Ordinance No. 06- 2016*		*LGU*		COMPLIANT	Permit No: Plate No: ssued on; Valid until:
9	DAO 2010-21, the Revised Implementing Rules and Regulations of R.A. 7942, Chapter XII, Section 117. Ore Transport Permit	Ore Transport Permit	MGB		COMPLIANT	Dates: Jan. 05 and 18, 2023
10	R.A. 9514 Revised Fire Code of the Philippines of 2008	Compliance with the Fire Safety Conditions	*BFP*		COMPLIANT	Issued Date: Feb. 7, 2023 Expiration date: Feb. 7, 2024

SUMMARY OF ENVIRONMENTAL COMPLIANCE OBLIGATIONS	
Number of Compliant	10
Number of Non- Compliant	0
% Compliant	100%

CONTROLLED COPY

MASTER COPY

	Document Title	REGISTRY OF COMPLIANCE OBLIGATIONS - BGO			
	Document Code	DRCS-11_EMS_CO_05	Revision	8	
	Department	PROCUREMENT	Effective Date	January 16, 2023	

Prepared by:	Reviewed By:	Approved By:
CJ CHAPDIAN / ZJ RETIG	BGO EMS	VALERIANO B. BONGALOS JR.

In- charge: PURCHASING DEPARTMENT

No.	Governing Laws, Rules and Regulations	Applicable Requirement	Interested Parties	Evidence of Compliance	Status of Compliance	Remarks
R.A. 7942 Philippine Mining Act of 1995						
DAO 2010-21 Implementing Rules & Regulations of RA 7942						
1	Section 127. Scope Section 128. General Provisions Section 129. mandatory Requirements for Accreditation of processors, traders, dealers and retailers in the trading of minerals/ minerals products and by-products	Accreditation of processors, traders, dealersand retailers in the trading of minerals/ mineral products and by-products	MGB/PNP		COMPLIANT	
2	Section 156. Rights to Possess and Use Explosives	Explosives Permit			COMPLIANT	MASTER COPY
3	Section 157. Requirements in the Application for Purchaser's License, License to Purchase/ Transfer Explosives or Blaster Foreman's License for Mining/ Quarrying Purposes	Purchaser's License			COMPLIANT	Control Npo.: PE-0123-0083
4		License to Handle Explosives			COMPLIANT	CONTROLLED COPY

No.	Governing Laws, Rules and Regulations	Applicable Requirement	Interested Parties	Evidence of Compliance	Status of Compliance	Remarks
5	Section 160. Filling of Application for Amendment and Renewal of Purchaser's License	Foreman's Blasters Permit			COMPLIANT	The Permit is on proccess

SUMMARY OF ENVIRONMENTAL COMPLIANCE OBLIGATIONS	
Number of Compliant	5
Number of Non- Compliant	0
% Compliant	100%

MASTER COPY

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	Document Title	REGISTRY OF COMPLIANCE OBLIGATIONS - BGO			
	Document Code	DRCS-11_EMS_CO_06	Revision	8	UKAS
	Department	MOTORPOOL	Effective Date	January 16, 2023	

Prepared by:	Reviewed By:	Approved By:
CJ CHAPDIAN / PP GANAL	BGO EMS	VALERIANO B. BONGALOS JR.

In- charge: MOTORPOOL DEPARTMENT

No.	Governing Laws, Rules and Regulations	Applicable Requirement	Interested Parties	Evidence of Compliance	Status of Compliance	Remarks
1					COMPLIANT	Functioning
2					COMPLIANT	Functioning
3					COMPLIANT	Functioning
4					COMPLIANT	Functioning
5					COMPLIANT	Functioning
6					COMPLIANT	For maintenance/Under repair
7					COMPLIANT	For maintenance/Under repair
8			MASTER COPY		COMPLIANT	Functioning

No.	Governing Laws, Rules and Regulations	Applicable Requirement	Interested Parties	Evidence of Compliance	Status of Compliance	Remarks
9	R.A. 8749 Philippine Clean Air Act of 1999; Article 4, Section 21-Pollution From Motor Vehicles Article 5, Section 24 Pollution From Other Sources DAO 2000-81 Implementing Rules & Regulations of RA 8749	*Registration upon proof of compliance of the emission standard.*	*EMB/DOTC/LTO*		COMPLIANT	For maintenance/Under repair
10					COMPLIANT	For maintenance/Under repair
11					COMPLIANT	Functioning
12					COMPLIANT	Functioning
13					COMPLIANT	Functioning
14					COMPLIANT	Functioning
15					COMPLIANT	Functioning
16					COMPLIANT	Functioning
17					COMPLIANT	Functioning
18					COMPLIANT	Functioning
19					COMPLIANT	Functioning

CONTROLLED COPY

SUMMARY OF ENVIRONMENTAL COMPLIANCE OBLIGATIONS	
Number of Compliant	19
Number of Non- Compliant	0
% Compliant	100%

MASTER COPY

	Document Title	REGISTRY OF COMPLIANCE OBLIGATIONS - BGO		
	Document Code	DRCS-11_EMS_CO_07	Revision	8
	Department	MTS	Effective Date	January 16, 2023

Prepared by:	Reviewed By:	Approved By:
CJ CHAPDIAN / DOMINADOR R. SISON JR.	BGO EMS	VALERIANO B. BONGALOS JR.

In- charge: MTS

No.	Governing Laws, Rules and Regulations	Applicable Requirement	Interested Parties	Evidence of Compliance	Status of Compliance	Remarks
1	DAO 2018-20: Providing for a new Guidelines in the Evaluation and Approval of the Three-Year Development/ Utilization Work program R.A. 7942 Philippine Mining Act of 1995. Section 8 & 9 DAO 2010-21 IRR of R.A. 7942 Otherwise known "Philippine Mining Act of 1995". R.A. 7942 Philippine Mining Act of 1995. Section 270. Reporting Requirements	Submision of 3-year Work Program	MGB		COMPLIANT	Submited: May 13, 2022
		Submision of Annual Work program			COMPLIANT	Submited: Dec. 22, 2021
		Submision of Annual Accomplishment Report			COMPLIANT	Submited: Jan. 13, 2023
		Submision of Quarterly Accomplishment Report			COMPLIANT	Submited: Jan. 113 2023-4th Qtr. Report

SUMMARY OF ENVIRONMENTAL COMPLIANCE OBLIGATIONS	
Number of Compliant	4
Number of Non- Compliant	0
% Compliant	100%

CONTROLLED COPY

	Document Title	REGISTRY OF COMPLIANCE OBLIGATIONS - BGO			
	Document Code	DRCS-11_EMS_CO_08	Revision	8	
	Department	SAFETY	Effective Date	January 16, 2023	

Prepared by:	Reviewed By:	Approved By:
CJ CHAPDIAN / NL BAGUYA II	BGO EMS	VALERIANO B. BONGALOS JR.

In- charge: HR DEPARTMENT

No.	Governing Laws, Rules and Regulations	Applicable Requirement	Interested Parties	Evidence of Compliance	Status of Compliance	Remarks
1	**DAO 2013-22:** Revised Procedures and Standards for the Management of Hazardous Waste (Revising DAO 2004-36) **9.0 PERSONNEL TRAINING**	Personnel Training	EMB	Training Attendance Sheet		
R.A. 7942 Philippine Mining Act of 1995						
DAO 2010-21 Implementing Rules & Regulations of RA 7942						
2	Section 163. Mine Labor	No person under sixteen (16) years of age in any phase; no person under eighteen (18) years of age in an underground mine.	MGB	Latest Update of Manpower List	COMPLIANT	
3	Section 164. Mine Supervision	At least one (1) licensed mining Engineer with at least five (5) years of experience in mining operations and/ or one (1) registered foreman.			COMPLIANT	Engr. Ernesto G. Manipon PRC Licence, Expired on: May 23, 2023

SUMMARY OF ENVIRONMENTAL COMPLIANCE OBLIGATIONS	
Number of Compliant	2
Number of Non- Compliant	
% Compliant	50%

CONTROLLED COPY

	Document Title	REGISTRY OF COMPLIANCE OBLIGATIONS - BGO			
	Document Code	DRCS-11_EMS_CO_09	Revision	8	
	Department	EMS	Effective Date	January 16, 2023	

Prepared by:	Reviewed By:	Approved By:
E. CHAPDIAN	BGO EMS	VALERIANO B. BONGALOS JR.

In- charge: BGO EMS

No.	Governing Laws, Rules and Regulations	Applicable Requirement	Interested Parties	Evidence of Compliance	Status of Compliance	Remarks
1	DAO 2015-07 Mandating Contractors to secure ISO 14001 Certification	Certification to ISO 14001	DENR-MGB		COMPLIANT	NQA IssuedDate: Feb. 25, 2022 Reissued: March 14, 2022 Valid Until: March 15,2025

SUMMARY OF ENVIRONMENTAL COMPLIANCE OBLIGATIONS	
Number of Compliant	1
Number of Non- Compliant	0
% Compliant	100%

CONTROLLED COPY

MASTER COPY

Republic of the Philippines
Department of Environment and Natural Resources
MINES AND GEOSCIENCES BUREAU
Cordillera Administrative Region
80 Diego Silang St., Baguio City 2600
Tel. No. 63 74 442 6392; Fax No. 63 74 304 2596; Website: www.car.mgb.gov.ph
E-mail: car@mgb.gov.ph; car_mgb@yahoo.com; mgb.cordillera@gmail.com

CERTIFICATE OF APPROVAL

SHP # 05- 2023 - CAR

The Mines and Geosciences Bureau-CAR, having evaluated and assessed the submitted 2023 Safety and Health Program (SHP) in accordance with the provisions of Department of Environment and Natural Resources Administrative Order (DAO) No. 2010-21, the Revised Implementing Rules and Regulations of Republic Act (RA) No. 7942, otherwise known as the "Philippine Mining Act of 1995", hereby grants this Certificate of Approval to **BENGUET CORPORATION-BC ACMP, PC-ACMP-002-CAR** located at Acupan, Itogon, Benguet.

This Certificate is being issued subject to the pertinent provisions of the above DAO and to the following conditions:

1. This certificate is valid only for programs, projects, and activities stipulated in the CY 2023 SHP;

2. The committed budget for CY 2023 SHP is twelve million eight thousand seventy-five and seven hundred forty-one pesos **(Php 12,875,741.00)**;

3. The implementation of identified programs, projects, and activities shall be subject to validation by **MGB-CAR** and auditing of the **MGB Central Office (MGB-CO);**

4. Benguet Corporation-BC ACMP, shall submit to **MGB-CAR** a quarterly accomplishment report within 15 working days at the end of each quarter and an annual accomplishment report 30 days after the end of the calendar year;

5. The company shall notify the **MGB-CAR** of any amendment in the approved SHP. Provided that the amendments do not compromise the overall safety and health programs and conditions of the project; and

Republic of the Philippines
Department of Environment and Natural Resources
MINES AND GEOSCIENCES BUREAU
Cordillera Administrative Region
80 Diego Silang St., Baguio City 2600
Tel. No. 63 74 442 6392; Fax No. 63 74 304 2596; Website: www.car.mgb.gov.ph
E-mail: car@mgb.gov.ph; car_mgb@yahoo.com; mgb.cordillera@gmail.com

Non-compliance with the above conditions shall be ground for the cancellation, revocation or termination of this certificate or suffer the penalty prescribed in the Penal Provisions of RA 7942, the Philippine Mining Act of 1995.

Given this **23rd day of December 2022** at the Mines and Geosciences Bureau-CAR, Baguio City

FAY W. APIL
Regional Director

Department of Environment and Natural Resources
Mines and Geosciences Bureau
Cordillera Administrative Region
122722-CAR-45400
Certificate of Approval
1:26 PM 12/27/2022

CONFORME:

VALERIANO B. BONGALOS, JR.
Vice President/Resident Manager
Benguet Corporation-BC ACMP
Balatoc, Itogon, Benguet

MGB-CAR-FO-MSESSD-MSHS-014ØØ (09.05.17)

Republic of the Philippines
Department of Environment and Natural Resources
MINES AND GEOSCIENCES BUREAU
Cordillera Administrative Region

ANNUAL SOCIAL DEVELOPMENT AND MANAGEMENT PROGRAM (ASDMP)

CERTIFICATE OF APPROVAL

No. 2023-06-CAR (3rd)

The Mines and Geosciences Bureau-CAR, having evaluated the 2023 Annual Social Development and Management Program (ASDMP), hereby grants this Certificate of Approval to BENGUET CORPORATION (BC) for its Acupan Contract Mining Project located in Barangay Virac, Municipality of Itogon, Province of Benguet, under the Mining Patent No. PC-ACMP-002-CAR after substantially complying with the requirements as mandated under DENR Administrative Order No. 2010-21.

This Certificate is being issued subject to the pertinent provisions of the abovementioned DAO and to the following conditions:

1. This Certificate is valid only for the Programs/Projects/Activities (P/P/As) stipulated in the submitted 2023 ASDMP;

2. The budget allocation for this ASDMP amounts to **Six Million Four Hundred Forty-Four Thousand Eight Hundred Thirty-Eight and 98/100 (Php6,444,838.98)**, which is equivalent to the 1.5% of the previous years' total operating cost as declared in its Affidavit to implement the P/P/As stipulated in the Program which is broken down as follows:

2022 Operating Cost (Php)	Basis of Allocation	Total Amount (Php)
429,655,931.10	(75%) Development of the Host and Neighboring Communities	4,833,629.23
	Balance	*337,500.00*
	(15%) Information, Education Campaign	966,725.85
	Balance	*96,990.48*
	(10%) Development of Mining Technology and Geosciences	644,483.90
	Balance	*171,277.15*
	Sub-total	6,444,838.98
	Sub-total *(Balance from previous ASDMP)*	*605,767.63*
	GRAND TOTAL	**7,050,251.53**

3. The company shall include the remaining amount (**Php605,767.63**) from its previous ASDMP after determination of the 1.5% operating cost to implement the P/P/As stipulated in the Program. Said balance shall be treated separately on accomplishment/monitoring reports;

4. The company may incorporate any alterations and/or re-alignment of P/P/As and funds from the approved ASDMP. Provided that, such changes are the result of consultations with its host and neighboring communities, accompanied by supporting documents such as resolutions, and approved by the MGB RO;

5. The Company shall submit a quarterly monitoring report fifteen (15) calendar days after the end of each quarter to MGB RO. Likewise, the annual accomplishment report shall be submitted thirty (30) calendar days after the end of each calendar year to the MGB RO, copy furnished the MGB Central Office (CO); and

6. Additional conditions may be imposed to effectively and efficiently implement the approved SDMP should the results of monitoring by the MGB RO or audit by the MGB CO warrant them.

Non-compliance with the above conditions shall be sufficient ground for the cancellation, revocation, or termination of this Certificate or suffer the penalty prescribed in the Penal Provisions of RA 7942, the Philippine Mining Act of 1995.

Given this **20th** day of **March 2023,** at the Mines and Geosciences Bureau-CAR, Baguio City, Philippines.

FAY W. APIL
Regional Director
MGB-CAR

032-23-CAR-46884

BenguetCorp

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of BENGUET CORPORATION and its Subsidiaries (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2023, 2022 and 2021, 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 consolidated 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.

Bernardo M. Villegas

BERNARDO M. VILLEGAS
Chairman of the Board

LINA G. FERNANDEZ
President

MAX D. ARCEÑO
Senior Vice President – Finance & Treasurer

Signed this March 22, 2024.

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
City of Makati) S.S.

SUBSCRIBED AND SWORN to before me this MAR 2 2 2024 at Makati City, affiants exhibited to me their valid identification: Mr. Bernardo M. Villegas with SSS No. 03-12455042; Atty. Lina G. Fernandez with SSS No. 03-7537025-8; and Mr. Max D. Arceño with SSS No. 03-82056688, all issued by the Office of the Social Security System, Philippines.

SHEILA C. CENIT-SELGICA
Commission No. M-234
Notary Public for Makati City
Until December 31, 2025
7F Universal Re Building
106 Paseo de Roxas, Makati City
Roll No. 53476
IBP Life Member No. 014470 / 02 18.16
PTR No. MKT10078179 dated January 4, 2024

Doc. No. 26;
Page No. 7;
Book No. I;
Series of 2024.

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
RECEIVED
APR 25 2024

Universal Re-Building, 106 Paseo de Roxas, 1226 Makati City Philippines
MCPO Box 3488 • Phone: +632 812-1380 • Fax: +632 752.0717

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1 1 3 4 1

COMPANY NAME

BENGUET CORPORATION AND SUBSIDIARIES

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

7th Floor, Universal Re-Building, 106 Paseo de Roxas, 1226 Makati 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
BCCorpSec@benguetcorp.com	(02) 8812-1380	09166100630

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
16,870	First Wednesday in November	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mr. Reynaldo P. Mendoza	rey_men777@yahoo.com	(02) 8812-1220	N/A

CONTACT PERSON's ADDRESS

5 Atipolo Bend St. Phase 2, Greenwoods Executive Village, Cainta, Rizal

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.*

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
RECEIVED
APR 25 2024
BY: ERWIN PACINIO
LT DOCUMENT PROCESSING AND QUALITY ASSURANCE DIVISION

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

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Benguet Corporation
7th Floor, Universal Re-Building
106 Paseo de Roxas, Makati City

Opinion

We have audited the consolidated financial statements of Benguet Corporation and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2023, 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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Key Audit Matters

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

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

Valuation of Land at Fair Value

The Group accounts for its land as investment properties using the fair value model and as property, plant and equipment using the revaluation model. As at December 31, 2023, land classified as investment properties amounting to ₱2,997.95 million and land classified as property, plant and equipment amounting to ₱1,724.48 million represented 29% and 17% of the consolidated total assets, respectively. The determination of the fair values of these properties involves significant management judgment and estimations. The valuation also requires the assistance of external appraisers whose calculations also depend on certain assumptions, such as sales and listing of comparable properties registered within the vicinity and adjustments to sales price based on internal and external factors. Thus, we considered the valuation of land as a key audit matter.

The disclosures relating to investment properties are included in Note 11 while those relating to property, plant and equipment are included in Note 9 to the consolidated financial statements.

Audit Response

We evaluated the competence, capabilities and objectivity of the external appraiser by considering their qualifications, experience and reporting responsibilities. We evaluated the methodology and assumptions used in the valuation of the investment properties and property, plant and equipment. We assessed the methodology adopted by referencing common valuation models and reviewed the relevant information supporting the sales and listings of comparable properties. We also inquired from the external appraisers the basis of adjustments made to the sales price.

Recoverability of Deferred Mine Exploration Costs

As at December 31, 2023, the carrying value of the Group's deferred mine exploration costs amounted to ₱520.37 million. These deferred exploration costs pertain to the expenditures incurred by the Group for the mining properties located in Benguet, Bataan and Nevada, USA. Under PFRS 6, *Exploration and Evaluation of Mineral Resources*, these deferred exploration costs shall be assessed for impairment when facts and circumstances suggest that the carrying amounts exceed the recoverable amounts. The ability of the Group to recover its deferred mine exploration costs would depend on the commercial viability of the project. We considered this as a key audit matter because of the materiality of the amount involved, and the significant judgment required in assessing whether there is any indication of impairment.

The Group's disclosures in relation to deferred exploration costs are included in Note 10 to the consolidated financial statements.

Audit Response

We obtained management's assessment on whether there is any indication that deferred mine exploration costs may be impaired. We inspected the summary of the status of each exploration project as of December 31, 2023, as certified by the Group's technical group head, the type of expenses incurred, and assessed whether ongoing exploration activities exist to support the continued capitalization of these assets under the Group's accounting policies, and compared it with the disclosures submitted to regulatory agencies. We inspected contracts and agreements, inquired with management whether further evaluation is required in advance of a development decision and that such exploration is continuing, made reference with existing drilling results and inspected the approved budget for continuing the exploration and development costs. We inspected the licenses/permits of each exploration project to determine that the period for which the Group has the right to explore in the specific area has not expired, will not expire in the near future, and will be renewed accordingly. We also inquired about the existing concession areas that are expected to be abandoned or any exploration activities that are planned to be discontinued in those areas.

Impairment Testing of Property, Plant and Equipment

As at December 31, 2023 the Group's net assets exceeded its market capitalization. In the event that an impairment indicator is identified, the assessment of the recoverable amount of property, plant and equipment requires significant judgment and involves estimation and assumptions about future production levels and costs, as well as external inputs such as commodity prices, discount rate, and foreign currency exchange rates. Hence, such assessment is a key audit matter in our audit.

The disclosures in relation to property, plant and equipment are included in Note 9 to the consolidated financial statements.

Audit Response

We involved our internal specialist in evaluating the methodologies and the assumptions used. These assumptions include the expected life of the mining project, future production levels and costs as well as external inputs such as commodity prices, discount rate and foreign currency exchange rates. We compared the key assumptions used against the mine life based on the ore reserve reports, production reports from the operations departments, forecasted average market price of gold and nickel, discount rate based on industry weighted average capital cost, and forecasted foreign currency exchange rates of various financial institutions. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect on the determination of the recoverable amount of property, plant and equipment.

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, 2023, 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, 2023 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 PFRSs, 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

SGV
Building a better working world

We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Peter John R. Ventura.

SYCIP GORRES VELAYO & CO.

Peter John R. Ventura

Peter John R. Ventura
Partner
CPA Certificate No. 0113172
Tax Identification No. 301-106-741
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-140-2021, November 10, 2021, valid until November 9, 2024
PTR No. 10082030, January 6, 2024, Makati City

March 22, 2024

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
RECEIVED
APR 25 2024
BY: ERWIN PACINIO
LT DOCUMENT PROCESSING AND QUALITY ASSURANCE DIVISION

BENGUET CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱774,192**	₱1,002,750
Trade and other receivables (Note 5)	**746,726**	782,505
Inventories (Note 6)	**247,959**	180,572
Financial assets at fair value through profit or loss (Note 7)	**1,328,780**	1,114,611
Other current assets (Note 8)	**660,569**	352,430
Total Current Assets	**3,758,226**	3,432,868
Noncurrent Assets		
Property, plant and equipment (Note 9)		
At revalued amount	**1,776,614**	1,729,705
At cost	**789,935**	780,200
Deferred mine exploration costs (Note 10)	**520,367**	492,505
Investment properties (Note 11)	**2,997,953**	2,991,984
Deferred tax assets - net (Note 30)	**5,571**	9,918
Other noncurrent assets (Note 12)	**488,952**	471,896
Total Noncurrent Assets	**6,579,392**	6,476,208
TOTAL ASSETS	**₱10,337,618**	₱9,909,076
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Note 13)	**₱507,801**	₱555,712
Loans payable (Note 14)	**339,238**	337,035
Lease liabilities - current (Note 15)	**4,238**	6,309
Liability for mine rehabilitation - current (Note 16)	**17,783**	10,488
Income tax payable	**33,340**	105,859
Total Current Liabilities	**902,400**	1,015,403
Noncurrent Liabilities		
Lease liabilities - net of current portion (Note 15)	**4,093**	5,798
Liability for mine rehabilitation - net of current portion (Note 16)	**44,347**	48,568
Pension liability (Note 29)	**58,194**	56,015
Deferred tax liabilities - net (Note 30)	**775,867**	769,212
Other noncurrent liabilities (Note 17)	**185,732**	237,814
Total Noncurrent Liabilities	**1,068,233**	1,117,407
Total Liabilities	**1,970,633**	2,132,810
Equity		
Capital stock (Note 18)	**624,277**	624,015
Capital surplus	**415,547**	415,110
Cost of share-based payment (Note 19)	**8,104**	6,275
Retained earnings	**5,907,571**	5,353,428
Other components of equity (Note 18)	**1,419,502**	1,385,454
	8,375,001	7,784,282
Treasury shares (Note 18)	**(8,016)**	(8,016)
Total Equity	**8,366,985**	7,776,266
TOTAL LIABILITIES AND EQUITY	**₱10,337,618**	₱9,909,076

See accompanying Notes to Consolidated Financial Statements.

BENGUET CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Earnings Per Share)

	Years Ended December 31		
	2023	2022	2021
REVENUE (Note 20)	**₱2,531,358**	₱4,025,195	₱3,841,888
COSTS AND OPERATING EXPENSES			
Costs of mine products sold (Note 21)	**(680,471)**	(970,388)	(921,685)
Costs of services and other sales (Note 22)	**(84,056)**	(80,158)	(74,842)
Selling and general expenses (Note 23)	**(906,015)**	(1,078,542)	(992,281)
Excise taxes and royalty fees (Notes 20)	**(182,425)**	(299,747)	(284,282)
	(1,852,967)	(2,428,835)	(2,273,090)
INTEREST EXPENSE (Notes 14 and 15)	**(2,776)**	(1,102)	(3,888)
OTHER INCOME - net (Note 26)	**56,994**	164,014	229,091
INCOME BEFORE INCOME TAX	**732,609**	1,759,272	1,794,001
PROVISION FOR INCOME TAX (Note 30)	**178,466**	428,225	372,397
NET INCOME	**₱554,143**	₱1,331,047	₱1,421,604
BASIC EARNINGS PER SHARE (Note 31)	**₱0.89**	₱2.14	₱2.29
DILUTED EARNINGS PER SHARE (Note 31)	**₱0.88**	₱2.12	₱2.27

See accompanying Notes to Consolidated Financial Statements.

BENGUET CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands)

	Years Ended December 31		
	2023	2022	2021
NET INCOME	**₱554,143**	₱1,331,047	₱1,421,604
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX			
Item to be reclassified to profit or loss in subsequent periods:			
Translation adjustment on foreign subsidiaries	**(336)**	5,192	4,613
Items not to be reclassified to profit or loss in subsequent periods:			
Revaluation of land, net of tax (Note 9)	**36,066**	20,700	178,584
Remeasurement gain (loss) on pension liability, net of tax (Note 29)	**(1,725)**	6,960	1,083
Unrealized gain on equity instruments designated at fair value through other comprehensive income (FVOCI) (Note 12)	**43**	603	15
Unrealized loss on intangible asset	–	(27)	–
	34,384	28,236	179,682
OTHER COMPREHENSIVE INCOME, NET OF TAX	**34,048**	33,428	184,295
TOTAL COMPREHENSIVE INCOME	**₱588,191**	₱1,364,475	₱1,605,899

See accompanying Notes to Consolidated Financial Statements.

BENGUET CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

(Amounts in Thousands)

				Other components of equity								
	Capital stock (Note 18)	Capital surplus	Cost of share-based payment	Revaluation increment on land and artworks (Note 18)	Cumulative translation adjustment on foreign subsidiaries (Note 18)	Remeasurement gain on pension liability (Notes 18 and 29)	Unrealized gain (loss) on financial assets at FVOCI (Notes 12 and 18)	Unrealized gain on intangible asset (Notes 12 and 18)	Total other comprehensive income	Retained earnings	Treasury shares (Note 18)	Total
Balances at January 1, 2021	**₱617,215**	**₱388,969**	**₱13,366**	**₱1,127,236**	**₱31,595**	**₱9,590**	**₱1,164**	**₱135**	**₱1,169,720**	**₱2,598,788**	**(₱8,016)**	**₱4,780,042**
Stock options expense (Notes 19 and 24)	–	–	13,778	–	–	–	–	–	–	–	–	13,778
Exercise of stock options	6,800	15,740	(12,726)	–	–	–	–	–	–	–	–	9,814
Cancellation of stock options	–	5,220	(5,220)	–	–	–	–	–	–	–	–	–
Transfer of fair value reserve on financial asset at FVOCI (Note 12)	–	–	–	–	–	–	(1,454)	–	(1,454)	1,454	–	–
Net income	–	–	–	–	–	–	–	–		1,421,604	–	1,421,604
Other comprehensive income	–	–	–	178,584	4,613	1,083	15	–	184,295	–	–	184,295
Total comprehensive income	–	–	–	178,584	4,613	1,083	15	–	184,295	1,421,604	–	1,605,899
Balances at December 31, 2021	**₱624,015**	**₱409,929**	**₱9,198**	**₱1,305,820**	**₱36,208**	**₱10,673**	**(₱275)**	**₱135**	**₱1,352,561**	**₱4,021,846**	**(₱8,016)**	**₱6,409,533**
Stock options expense (Notes 19 and 24)	–	–	2,258	–	–	–	–	–	–	–	–	2,258
Cancellation of stock options	–	5,181	(5,181)	–	–	–	–	–	–	–	–	–
Transfer of revalutation increment to retained earnings from the sale of land (Note 11)	–	–	–	(535)	–	–	–	–	(535)	535	–	–
Net income	–	–	–	–	–	–	–	–	–	1,331,047	–	1,331,047
Other comprehensive income (loss)	–	–	–	20,700	5,192	6,960	603	(27)	33,428	–	–	33,428
Total comprehensive income (loss)	–	–	–	20,700	5,192	6,960	603	(27)	33,428	1,331,047	–	1,364,475
Balances at December 31, 2022	**₱624,015**	**₱415,110**	**₱6,275**	**₱1,325,985**	**₱41,400**	**₱17,633**	**₱328**	**₱108**	**₱1,385,454**	**₱5,353,428**	**(₱8,016)**	**₱7,776,266**
Stock options expense (Notes 19 and 24)	–	–	2,260	–	–	–	–	–	–	–	–	2,260
Exercise of stock options (Note 18)	262	437	(431)	–	–	–	–	–	–	–	–	268
Net income	–	–	–	–	–	–	–	–		554,143	–	554,143
Other comprehensive income (loss)	–	–	–	36,066	(336)	(1,725)	43	–	34,048	–	–	34,048
Total comprehensive income (loss)	–	–	–	36,066	(336)	(1,725)	43	–	34,048	554,143	–	588,191
Balances at December 31, 2023	**₱624,277**	**₱415,547**	**₱8,104**	**₱1,362,051**	**₱41,064**	**₱15,908**	**₱371**	**₱108**	**₱1,419,502**	**₱5,907,571**	**(₱8,016)**	**₱8,366,985**

See accompanying Notes to Consolidated Financial Statements.

BENGUET CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱732,609**	₱1,759,272	₱1,794,001
Adjustments for:			
Depreciation and depletion (Notes 9 and 25)	**55,630**	81,214	148,214
Interest income (Notes 4, 5, 8, 12 and 26)	**(10,592)**	(2,089)	(3,293)
Movements in liability for mine rehabilitation (Notes 16 and 26)	**5,836**	16,858	(37,830)
Interest expense (Notes 14 and 15)	**2,776**	1,102	3,888
Stock options expense (Notes 19 and 24)	**2,260**	2,258	13,778
Accretion on the liability for mine rehabilitation (Notes 16 and 26)	**2,178**	1,746	2,453
Movements in pension liability	**(123)**	(6,486)	(8,239)
Provision for impairment loss on other noncurrent assets (Notes 12 and 26)	**–**	938	18,397
Loss (gain) on:			
Change in fair value of financial assets at fair value through profit or loss (FVPL) (Notes 7 and 26)	**(51,893)**	(18,213)	(2,389)
Unrealized foreign currency exchange	**5,929**	2,655	9,564
Disposal of intangible assets (Notes 12 and 26)	**(150)**	–	–
Revaluation of investment properties (Notes 11 and 26)	**136**	(85,332)	(276,986)
Disposal of property, plant and equipment (Notes 9 and 26)	**(105)**	(157)	–
Derecognition of construction in progress (CIP) (Notes 9 and 26)	**–**	11,395	–
Sale of investment properties (Notes 11 and 26)	**–**	(619)	–
Write-off of deferred mine exploration costs (Notes 10 and 26)	**–**	–	16,511
Rent concession (Notes 15 and 26)	**–**	–	(585)
Operating income before working capital changes	**744,491**	1,764,542	1,677,484
Decrease (increase) in:			
Trade and other receivables	**35,779**	(56,894)	(39,692)
Inventories	**(67,387)**	(38,467)	(40,919)
Input value-added taxes and creditable withholding taxes	**131,824**	48,991	(88,309)
Other current assets	**11,473**	64,086	(82,970)
Increase (decrease) in:			
Trade and other payables	**(47,911)**	(113,686)	59,399
Noncurrent contract liabilities	**(52,082)**	(53,986)	(99,612)
Net cash flows generated from operations	**756,187**	1,614,586	1,385,381
Income taxes paid	**(228,743)**	(445,168)	(225,277)
Interest received	**10,592**	2,089	827
Interest paid	**(573)**	(1,102)	(1,596)
Net cash flows from operating activities	**537,463**	1,170,405	1,159,335
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of:			
Intangible assets (Note 12)	**380**	–	–
Property, plant and equipment (Note 9)	**105**	157	–
Financial assets at FVPL (Note 7)	**–**	59,311	–
Investment properties (Note 11)	**–**	4,630	–
Additions to:			
Short-term investments (Note 8)	**(406,540)**	–	–
Financial assets at FVPL (Note 7)	**(162,276)**	(480,732)	(660,089)
Property, plant and equipment (Note 9)	**(68,253)**	(45,383)	(40,860)
Deferred mine exploration costs (Note 10)	**(28,310)**	(31,221)	(11,693)
Investment properties (Note 11)	**(6,225)**	–	–
Financial assets at FVOCI (Note 12)	**–**	(229)	–
Payments of advances to supplier (Note 12)	**(4,054)**	(245,946)	–
Decrease (increase) in other noncurrent assets	**(79,586)**	(18,275)	77,110
Net cash flows used in investing activities	**(754,759)**	(757,688)	(635,532)

(Forward)

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
RECEIVED
APR 25 2024
BY: ERWIN PACINIO
LT DOCUMENT PROCESSING AND QUALITY ASSURANCE DIVISION

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Principal portion of lease liabilities (Note 15)	**(₱5,828)**	(₱8,366)	(₱7,697)
Loans payable (Note 14)	**–**	–	(182,323)
Proceeds from employees' exercise of stock options	**268**	–	9,814
Net cash flows used in financing activities	**(5,560)**	(8,366)	(180,206)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(222,856)**	404,351	343,597
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(5,702)**	(4,849)	(11,897)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,002,750**	603,248	271,548
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱774,192**	₱1,002,750	₱603,248

See accompanying Notes to Consolidated Financial Statements.

(Amounts in Thousands, except number of shares, per share data and when indicated)

1. Corporate Information and Status of Business Operations

Corporate Information
Benguet Corporation (the Parent Company) was incorporated on August 12, 1903 and was listed in the Philippine Stock Exchange (PSE) on January 4, 1950. On June 18, 1956 and June 19, 2006, the Philippines Securities and Exchange Commission (SEC) approved the extension of the Parent Company's corporate life for another 50 years.

The Parent Company is currently engaged in gold, nickel, and other metallic and nonmetallic mineral production, exploration, research and development and natural resource projects. The nature of business of the Parent Company's subsidiaries are summarized in Note 2 to the consolidated financial statements.

The Parent Company's registered office address is 7th Floor Universal Re-Building, 106 Paseo de Roxas, 1226 Makati City.

Status of Business Operations
Quasi-reorganization
On December 5, 2011, the Philippine SEC approved the application of the Parent Company for quasi-reorganization to wipe out its deficit as at December 31, 2010, setting it off against its capital surplus and revaluation increment as follows:

	Prior to quasi-reorganization	*Effect of quasi-reorganization*	*After quasi-reorganization*
Capital surplus	₱1,153,579	(₱1,153,579)	₱–
Revaluation increment	1,561,048	(1,010,848)	550,200
Deficit	(2,164,427)	2,164,427	–

For purposes of dividend declaration, the retained earnings of the Parent Company shall be restricted to the extent of the deficit wiped out by the revaluation increment amounting to ₱1.01 billion until the asset to which the revaluation increment relates is disposed. In addition, the retained earnings of the Parent Company shall be restricted further by the accumulated fair valuation gains of investment properties amounting to ₱1,385.02 million and ₱1,405.16 million as at December 31, 2023 and 2022, respectively.

Significant developments in the Parent Company's and its subsidiaries' (collectively, the Group) operations follow:

a. Mining Projects

Benguet Gold Operations (BGO)
The Group produces gold from the Benguet mines, consisting of the Acupan and Kelly underground mines, which were suspended in 1992, following the 1991 earthquake, which flooded the said underground mines. In 2003, BGO resumed operations and production is partly carried out through independent mining contractors in Acupan Contract Mining Project (ACMP) which is a community-based underground mining project.

The Parent Company is currently working on exploration and drilling programs to upgrade BGO's capacity. The exploration and geology group completed the design for the surface and underground diamond drilling program for the Phase 1 of the Greater Acupan Project.

The related feasibility study for Greater Acupan Project was approved in 2013 and the Parent Company is still raising the necessary funds to start the execution of the project.

On October 28, 2016, the Parent Company received from the Department of Environment and Natural Resources (DENR) the mine audit report dated October 21, 2016, which was conducted pursuant to DENR Memorandum Circular No. 2016-01 requiring audit of all operating mines which recommended the suspension of the Parent Company's mining operations and required the Parent Company to submit an explanation thereof within seven days from the date of receipt.

On November 1, 2016, the Parent Company submitted an explanation to the DENR stating that there are no legal and factual bases to recommend the suspension of the Parent Company's operations due to the following reasons:

- Based on the mine audit report, there are no significant findings of violations that would warrant the suspension order.
- None of the alleged violations found pose imminent danger or threat to the community that would justify the suspension of operation.
- The deficiencies cited, which are mostly permitting issues or operational concerns, can easily be remediated without need of suspending the Parent Company's operation.

On February 14, 2017, the Parent Company received from DENR a cancellation order dated February 8, 2017 cancelling its authority to undertake mining operations under Patent Claim (PC-ACMP-002-CAR) in Itogon, Benguet for violation of certain provisions of mining and environmental laws, rules and regulations such as the following:

- Republic Act (RA) No. 6969, otherwise known as the 'Toxic Substances and Hazardous and Nuclear Waste Control Act of 1990'
- DENR Administrative Order (DAO) No. 2013-22 or the 'Revised Procedures and Standards for the Management of Hazardous Wastes'
- RA No. 7942, otherwise known as 'The Philippine Mining Act of 1995'
- DAO No. 2010-21 or the 'Revised Implementing Rules and Regulations of RA No. 7942'

On February 22, 2017, the Parent Company filed a Notice of Appeal before the Office of the President, which stayed the execution of the cancellation order. On March 22, 2017, the Parent Company submitted to the Office of the President its Appeal Memorandum. As of March 22, 2024, the Office of the President has not yet resolved the appeal.

In November 2019, the DENR directed the regional offices of the Mines and Geosciences Bureau (MGB) and Environmental Management Bureau (EMB) to validate the environmental compliance of BGO as input to early resolution of the appeal. In January 2020, MGB submitted a favorable validation report to DENR and recommended to set aside the cancellation order. Hence as at December 31, 2023, the Parent Company continues to mine and operate.

On March 28 to 29, 2023, NQA Philippines, Inc. (NQA), an independent evaluation and certification body, conducted ISO 14001:2015 Recertification Audit for BGO. NQA is yet to issue the certification as at March 22, 2024.

Sta. Cruz Nickel Project (SCNP)
On July 8, 2016, Benguetcorp Resources Management Corporation (BRMC) received from the regional offices of the DENR, MGB, and Environmental Management Bureau (EMB) a joint suspension order, which suspended the mining operations in Sta. Cruz, Zambales based on the following grounds:
- Writ of Kalikasan case filed in the Supreme Court filed by the Concerned Citizens of Sta. Cruz, Zambales
- Executive Order issued by the provincial government of Zambales declaring moratorium on mining operations in the said province
- Continuing complaints of various groups against alleged adverse impact of mining operations

The Writ of Kalikasan case was referred by Supreme Court to the Court of Appeals for trial proceedings.

On October 18, 2016, BRMC received the mining audit report dated October 3, 2016. The report states that BRMC violated several conditions of its Environmental Compliance Certificate and the provisions of several laws and regulations.

BRMC replied to the DENR taking strong exception to the mine audit report particularly on the recommendation to maintain the status quo of the Suspension Order issued by the DENR on July 7, 2016, on grounds summarized as follows:
- The conduct of the audit was irremediably flawed.
- The transparency and fairness of the audit report is under question because the audit team failed to follow its own protocol.
- Assuming the mine audit report was regularly conducted, it is very apparent that none of the findings of deficiencies therein were serious enough (even if taken collectively) to warrant the imposition or the continuance of the suspension order.
- The recommendation of status quo of the suspension order in the mine audit report will have far-reaching effect on its business, employees and the community.

On February 13, 2017, BRMC received from the DENR an order cancelling its Mineral Production Sharing Agreement (MPSA). The cancellation order alleged that BRMC's operations had overlapped a watershed in the area and violated certain provisions of laws and regulations, majority of which were previously raised in the mine audit report.

On February 22, 2017, BRMC filed a Notice of Appeal before the Office of the President to set aside the cancellation order received. BRMC's nickel project is operated outside of any known critical or declared watershed. BRMC is operating within the Zambales Chromite Mineral Reservation, a mineral reservation which has been excluded from government declared watersheds. BRMC filed before the Office of the President its appeal memorandum on March 21, 2017.

On March 28, 2017, the local government of Zambales issued a Manifestation of Consent which lifted the moratorium and allowed BRMC to proceed with hauling and shipment of its nickel ore inventory, which was mined before the suspension took effect, to avoid any adverse impact on the environment.

On May 22, 2017, the Court of Appeals denied the petition for the Writ of Kalikasan case considering the case has become moot due to the DENR closure orders. Thereafter, the petitioners filed a Motion for Reconsideration.

On December 14, 2017, the Court of Appeals denied the Motion for Reconsideration. Accordingly, the prohibitory injunctive provisional Writ on the Kalikasan case issued by the Supreme Court was lifted. The denial of the petition was questioned in the Supreme Court then a Petition for Review by Certiorari. In March 2022, the Supreme Court gave due course to the Certiorari by remanding the case to the Court of Appeals for continuation of the proceedings. The case was set for preliminary conference.

On July 2, 2020, MGB Regional Office No. III in its Memorandum recommended granting the appeal of BRMC on the DENR order dated February 8, 2017 cancelling the MPSA agreement.

In August 2020, the DENR has determined that BRMC has fully addressed the violations and has complied with the recommendations of the Mining Industry Coodinating Council (MICC) Review Team. The recommendation was also approved by the Secretary of the DENR.

On October 29, 2020, BRMC received a Memorandum dated October 20, 2020 from DENR-MGB Regional Office No. III stating that the Regional Director DENR-MGB Regional Office No. III concurs with the directives of MGB Acting Director to lift the current suspension order subject to its compliance with the certain requirements.

On November 17, 2020, BRMC further notified the MGB Regional Office No. III through letter dated November 18, 2020 the planned resumption of its mining operations on November 20, 2020.

BRMC now operates in Areas 2 and 3 of its MPSA, implementing activities pursuant to the Three-year Development and Work Program that it resubmitted on December 15, 2020, after getting the previous version approved last July 1, 2020 by the Director of MGB Regional Office No. III.

Starting 2021, BRMC was able to fully operate its nickel mining project and continued to transport and hauled for shipment the ore inventory stockpiles in Areas 1 and 3 of the MPSA which were given Ore Transport Permit (OTP).

On October 10, 2022, NQA issued to BRMC ISO 14001:2015 Recertification audit. The certification is valid until February 3, 2026. This certification makes BRMC fully compliant with DAO 2015-07.

Irisan Lime Project (ILP)
The Parent Company’s ILP in Irisan, Baguio is engaged in the production and trading of quicklime. ILP produced 6,553 tons, 7,340 tons, and 7,645 tons of quicklime in 2023, 2022 and 2021, respectively. On March 22, 2022, the Mineral Processing Permit (MPP) for the ILP was renewed for a period of five years or until March 21, 2027.

Benguet Antamok Gold Operation (BAGO)
The Parent Company’s BAGO in Itogon, Benguet has been suspended since August 1998. BAGO has an estimated resource of about 12.4 million tons, averaging 3.45 grams of gold per ton, at the end of 1999. Pursuant to DAO No. 2010-04, the Parent Company’s Application for Mineral Production Sharing Agreement (APSA) No. 009-Cordillera Administrative Region (CAR) was denied on February 8, 2011. Subsequently, the Parent Company filed an appeal on April 15, 2011 with MGB Central Office and elevated the appeal to the DENR. On October 5, 2021, the DENR granted the appeal and the APSA was reinstated back to the Parent Company.

In October 2016, a leak occurred in BAGO's tailings dam which affected the Liang River. On November 23, 2016, the Parent Company received from DENR a letter requiring the Parent Company to show cause why its operation should not be suspended and/or mining contract be cancelled in view of the tailings spill.

On December 26, 2016, the Parent Company argued that there was no negligence because the incident is due to force majeure and the tailings leak was immediately stopped. The Parent Company also emphasized that it has no existing mining operations in BAGO as it has long been suspended. The BAGO open pit mine and the BAGO underground mine have not operated since 1998 and 1989, respectively. The Parent Company contended that its infrastructure in BAGO has been under care and maintenance since then up to the present. On January 1, 2017, the case was elevated to the Pollution Adjudication Board (PAB) from the EMB out of which the Parent Company submitted a position paper on May 8, 2017.

On May 9, 2017 a technical conference hearing was held in PAB regarding the case and as a result, the Parent Company submitted a supplemental motion on June 9, 2017. No subsequent updates as of March 22. 2024.

Masinloc Chromite Operation (MCO)
From 1934 to 2007, the Parent Company managed the Coto mines under an operating agreement with its claimowner, Consolidated Mines, Inc. (CMI). With the expiration of the operating agreement on July 8, 2007, the Parent Company has transferred back the mine to CMI. As at March 22, 2024, the Parent Company is still engaged in discussion with CMI over the liquidation of MCO's assets.

b. Exploration, Research and Development Projects

Balatoc Tailings Project (BTP)
The Parent Company's Board of Directors (BOD) approved an initial ₱10.0 million research and development fund for the BTP in Itogon, Benguet for the study on the feasibility of reprocessing 16.7 million tons of tailings resource with an average of 0.69 grams gold per ton and is estimated to contain 371,000 ounces of gold. A core research and development team, together with the Beijing Geological Research Institute of Mining and Metallurgy, has done the analysis toward the preparation and completion of the bankable feasibility study.

On October 21, 2009, the Parent Company appointed ATR Kim Eng Capital Partners, Inc. as financial advisor to raise additional development capital for the BTP.

On the same date, the Parent Company entered into a processing agreement with Balatoc Gold Resources Corporation (BGRC), a subsidiary, to implement the BTP. The Parent Company has completed the bankable feasibility study of the BTP and engaged external Competent Persons to prepare and review reports as required under the Philippine Mineral Reporting Code modeled after the Joint Ore Reserve Committee of Australia.

In September 2010, the Parent Company signed a Deed of Assignment with BGRC, to transfer MPP No. 13-2010-Cordillera Administrative Region covering the BTP and was approved by DENR-MGB in November 2011.

BGRC continued the activities on expansion and rehabilitation of its penstocks at Tailings Pond Nos. 2 and 3 and earthmoving works on the silt dam at Gold Creek and the Ambalanga River pumping station, and the ridge enhancement works on Tailings Ponds Nos. 2 and 3.

On January 17, 2013, the Parent Company's BOD authorized and approved the deed of exchange between the Parent Company and BGRC covering all of the Parent Company's rights and interest in BTP in exchange of BGRC's shares.

Following the expiration of MPP No. 13-2010-CAR, BGRC reconveyed to the Parent Company on March 16, 2016 and this was approved by the DENR-MGB on May 31, 2016.

Antamok Tailings Project (ATP)
The ATP, which targeted the BAGO mill tailings pond, was conceived as a possible additional resource that could be developed similar to BTP. The BAGO tailings pond, located a few hundred meters downstream from the BAGO open pit mine, contains some 7.64 million tons of tailings produced from the BAGO milling operations. In addition, a considerable tonnage of extraneous materials, estimated at about 1.95 million tons washed from the BAGO pit over the years from the Otek marginal grade material dump and from the numerous illegal miners' workings, found its way into the pond and is now resting on top of the tailings deposit. A preliminary sampling of these extraneous materials showed that these can be considered for exploitation together with the original tailings in the pond. More core drilling, however, may be required to firm up the resource estimate of these impounded materials.

The Parent Company has approved an initial ₱7.50 million research fund for the ATP for the feasibility study on the reprocessing. The Parent Company is conducting a feasibility study on the reprocessing of tailings from the BAGO, which are impounded in the tailings pond downstream of the old BAGO mill. The initial drilling conducted to test the impounded materials indicates a grade of 4.0 grams of gold per ton.

As at December 31, 2023, the Parent Company intends to transfer to Benguet-Pantukan Gold Corporation (BPGC), a wholly owned subsidiary of the Company through Benguet Management Corporation (BMC), the planned ATP.

Surigao Coal Prospect (SCP)
Pre-development activities for the SCP were put on hold in 2011 due to DENR Circular Executive Order (EO) 23, series of 2011, which declares a moratorium on the cutting of timber in the natural and residual forests. The City Environment and Natural Resources Office of the Municipality of Lianga denied the Parent Company's request for a tree inventory, which is preparatory to the application for a cutting permit. The decision was reversed in January 2012 after the issuance of a memorandum from the Executive Secretary, which exempted exploration and mining activities from the said EO. The Parent Company is in the process of completing the requirements to secure permits for the development of the project. A preliminary hydrology study was done at the nearby Hubo river's water source to assess if the volume capacity of the river system can support a hydro plant, which will complement the Coal Power Plant Study. The Parent Company's application for new Coal Operating Contract (CoC) with the Department of Energy can now proceed with the submission of Certificate of No Mining Ban from the provincial Local Government Unit (LGU).

Ampucao Copper-Gold Prospect (Ampucao Prospect)
The Ampucao prospect is partly located inside the contract claims of Pugo Mining Company in the southern part of Benguet's Acupan gold mine. The initial exploration work conducted by the Parent Company's geologists indicates a porphyry copper-gold mineralization hosted in diorite below the 2000 level. Two test holes have been programmed to be drilled within the area, but have been put on-hold pending the approval of the Exploration Permit Application (EXPA).

Pantingan Copper Gold Prospect (PGP)
The PGP in Balanga, Bataan consists of 1,410 hectares covered by MPSA No. 154-2000-III. The property is under an operating agreement with Option to Purchase, with Balanga Bataan Minerals Corporation, signed in March 1996. Surface mineralization consists of quartz and clay veins, ranging from 0.70 meters to 10 meters wide, with values as much as 1.0 gram of gold and 9.60 grams of silver. The Parent Company has implemented drilling programs in the property starting in 2020 and will continue to do so until 2024.

Recent geological works in the Pantingan property have also led to the identification of two parcels composed of Block-1 and Block-3 areas located inside the mineral tenement hosting high quality mountain rock deposits with favorable potential for rock aggregates. The potential rock formations are composed of consolidated volcanic conglomerate and massive andesite units based on actual ground analysis.

The second phase drilling works on the Pantingan Gold Prospect has been completed and core samples were sent for the analysis. The Phase two drilling works targetted the lateral and vertical continuations of the V9SL and V2SL. On the aggregates prospect, the Parent Company continues to do topographical/road surveys and apply for permits including for road-right-of-way in the 40-hectares Quarry Permit Area (QPA) outside the MPSA. The large-scale quarry in PAB-1 and 2 within the MPSA still needs drilling for Declaration of Mining Project Feasibility (DMPF). The MGB has issued area clearance in the QPA, and the Parent Company is working on LGU consent, tree inventory, National Commission on Indigenous Peoples (NCIP) certification, and Environmental Compliance Certificate (ECC) process.

The third phase drilling works has started following MGB's approval of the Fourth Exploration Program (EP), which is equivalent to two (2) years period. Output of the work program will be a Pre-Feasibility Study. Preparation is also underway for the renewal of the MPSA application (of the property in 2024) such as geological report, topographic survey of tenement, environmental and social compliances, among other requirements.

On the aggregates, the Parent Company continues to apply for permits including the road-right-of-way in the 40-heactares Quarry Permit Area (QPA) outside MPSA. As of March 22, 2024, the Parent Company is applying for permits on six additional Quarry Permit Application (QPA) blocks which are nearer to the proposed hauling road. These include ECC, Free Prior and Informed Consent (FPIC) from Indigenous People, Tree Cutting Permit and local government unit clearances.

Zamboanga Gold Prospect (ZGP)
The ZGP in R.T. Lim, Zamboanga Sibugay consists of 340.3 hectares of land area and is under an operating agreement with Oreline Mining Corporation (OMC). A drilling program to evaluate the gold potential of the main structure at depth has been put on-hold pending the resolution of the permit. The APSA which was denied on May 12, 2010 and subject of an appeal filed on January 30, 2013, was reinstated by the DENR November 4, 2020. It has since converted to EXPA.

The Parent Company has obtained the consent of OMC, the claimowner, for the proposed arrangement with the small-scale miners cooperative where they will be allowed to continue with their livelihood activities, subject to the conditions that the Parent Company can conduct exploration/drilling works in San Fernando vein area and will be assisted in securing FPIC from the Indigenous People. Duration of arrangement is until the Parent Company is ready to start large scale mining.

Financial or Technical Assistance Agreement (FTAA) Application
The Parent Company and its subsidiary, Sagittarius Alpha Realty Corporation (SARC), have two pending FTAA applications consisting of land area totaling 72,806,291 hectares. The FTAA application in Ilocos Norte (denominated as AFTA-000003-1) and Apayao (denominated as AFTA No. 033-CAR) are undergoing Free, Prior and Informed consent requirement through the Regional Office of the NCIP. Exploration work for the two areas will be undertaked as soon as the applications have been approved by the Philippine government.

c. Water Projects

Baguio City Bulk Water Supply Project (BCBWSP)
On August 16, 2005, the BOD of the Baguio Water District (BWD) issued to the Parent Company a Notice of Award covering the BCBWSP. The Parent Company's proposal is to convert its mined-out 440 Vein Open Pit into a water reservoir with the capability of supplying, at least, 50,000 cubic meters of potable water per day to Baguio City.

On September 7, 2007, the BWD issued Board Resolution Number 30-2007, which resolved to terminate the bulk water supply contract negotiation and to scrap the project. The resolution cited grounds such as the irreconcilable differences of the parties on the contract provisions of parametric formula and rate rebasing, among others. On these issues, the BWD is concerned with the affordability and acceptability of the water tariff to the end-consumers. On the other hand, the Parent Company raised a concern on the delay in implementation and its effect on the viability of the project as justification for the contract provisions. The Parent Company has likewise requested the BWD to conduct a public hearing on these issues, which the BWD has deemed premature. The Parent Company filed a request for reconsideration on September 13, 2007.

On November 29, 2007, the BWD issued a Board Resolution denying the Parent Company's request for reconsideration. The Parent Company then filed a case against BWD with the Regional Trial Court.

In 2019, pursuant to a Memorandum of Agreement with Manila Water Company, Inc. (MWCI) regarding the assignment of water rights in Laboy River in connection with MWCI's bulk water supply proposal to Baguio City, the Parent Company has withdrawn the case for specific performance against BWD without prejudice to filing of a new case for recovery of cost and damages due to the aborted bidding award.

Water Rights of Agua de Oro Ventures Corporation (ADOVC)
ADOVC, a subsidiary of BMC, has water permits in various locations in Tuba, Benguet: Kairuz Spring granted on September 12, 2001, Amliang Spring granted on October 17, 2002, and Kias Creek granted on August 13, 2004.

The water permits give ADOVC water access to these water sources, except for Kairuz Spring. The owner sold the water source on August 2012. The new owner denied ADOVC to access the water source. In an order dated Semptember 12, 2001, the transfer of the water permit was approved subject to the rights of ADOVC equivalent to 11.60 liters per second. The diversion of the water shall be from the source and for the purpose indicated in the permit and in no case should said use exceed the quantity and period indicated therein. As of March 22, 2024, management is still awaiting resolution of the issue.

As at December 31, 2023 and 2022, the cost and accumulated amortization of the water rights amounted to ₱4.59 million. ADOVC accrued and paid water permit fees amounting to ₱0.04 million and ₱0.01 million in 2023 and 2022, respectively.

d. Land Development Project

Kelly Special Economic Zone (KSEZ)
The Parent Company has approved an initial ₱4.9 million for the feasibility study covering the KSEZ and the potential of other real estate project of the Group. The Parent Company plans to transfer the said properties to BC Property Management, Inc. (BCPMI), a subsidiary of BMC. The capital expenditures related to the implementation of the project will then be infused as equity of the Parent Company in BCPMI. As at March 22, 2024, the said project has not yet materialized.

e. Logistics Services

On August 31, 2017, the BOD approved the dissolution of Calhorr 1 Marine Services Corporation (CMSC) and Calhorr 2 Marine Services Inc. (CMSI), wholly owned subsidiaries of Keystone Port Logistics and Management Services Corporation (KPLMSC), by shortening their corporate term until September 30, 2017. CMSC and CMSI are awaiting the clearance letter from the Bureau of Internal Revenue (BIR) before it could apply for liquidation with the Philippine SEC. Final liquidation will take place after the Philippine SEC's approval of the said application. In 2021, CMSC and CMSI received the clearance letter from the BIR. As at March 22, 2024, CMSC and CMSI have not yet filed the application of liquidation with the Philippine SEC.

f. Health Care Services

The Parent Company spun off its Benguet Laboratories (BL) Division on September 19, 2012 through its wholly owned subsidiary, Benguetcorp Laboratories, Inc. (BLI), to undertake the expansion of BL into a distinct operating unit that can raise the necessary development funds and create value for the Group. BLI operates two full-fledged tertiary multi-specialty facilities in Baguio under the trade name Benguet Laboratories.

Authorization for the Issuance of the Consolidated Financial Statements
The consolidated financial statements of the Group as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 were authorized for issuance by the Parent Company's BOD on March 22, 2024.

2. Summary of Material Accounting Policies

Basis of Preparation
The consolidated financial statements of the Group have been prepared on a historical cost basis, except for land and artworks classified as property, plant and equipment, which have been measured at revalued amounts, financial assets at FVOCI, financial assets at FVPL, intangible asset under "Other noncurrent assets" and investment properties, which have been measured at fair value. The consolidated financial statements are presented in Philippine peso, which is the Parent Company's functional and presentation currency. All values are rounded to the nearest thousands (₱000), except when otherwise indicated.

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

Basis of Consolidation and Group Information
As at December 31, 2023 and 2022, the consolidated financial statements include the accounts of the Parent Company and the following subsidiaries:

	Nature of business	Country of incorporation	Effective percentage of ownership
Berec Land Resources Inc. (BLRI)*	Exploration and development	Philippines	100.00
BRMC	Exploration and development	Philippines	100.00
ADOVC*	Selling of treated and untreated water	Philippines	100.00
BCPMI*	Management services	Philippines	100.00
BMC*	Foundry	Philippines	100.00
BMC's Subsidiaries:			
Arrow Freight and Construction Corporation (AFCC) (formerly Arrow Freight Corporation)	Logistics	Philippines	100.00
Benguetrade, Inc. (BTI)*	Trading	Philippines	100.00
BMC Forestry Corporation (BFC)	Real estate	Philippines	100.00
BPGC*	Exploration and development	Philippines	100.00
KPLMSC	Logistics	Philippines	100.00
KPLMSC's Subsidiaries:			
CMSC**	Logistics	Philippines	100.00
CMSI**	Logistics	Philippines	100.00
Media Management Corporation (MMC)*	Management services	Philippines	100.00
BenguetCorp International Limited (BIL)*	Holding company	Hong Kong	100.00
BIL Subsidiaries:			
Benguet United States of America (USA), Inc.*	Exploration and development	USA	100.00
Benguet Canada Limited*	Exploration and development	Canada	100.00
Pillars of Exemplary Consultants, Inc. (PECI)*	Professional services	Philippines	100.00
SARC*	Real estate holding	Philippines	100.00
SARC's Subsidiary: BGRC*	Exploration and development	Philippines	100.00
Benguetcorp Construction and Development Corporation (BCDC) (formerly Batong Buhay Mineral Resources Corporation)*	Exploration and development	Philippines	100.00
Ifaratoc Mineral Resources Corporation (IMRC)*	Exploration and development	Philippines	100.00
Acupan Gold Mines Inc.*	Exploration and development	Philippines	100.00
BLI	Health services	Philippines	100.00

* *Non-operating*
** *In process of liquidation*

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group 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.

New Standards, Interpretations and Amendments
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments to the Practice Statement provide non-mandatory guidance. The Group has removed accounting policy disclosures that were assessed as not material.

- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

<u>Standards issued but not yet effective</u>
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 they become effective.

Effective beginning on or after January 1, 2024
- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7*, Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025
- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21*, Lack of exchangeability*

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

Financial Instruments

Financial Assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI, and FVPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payment of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, 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 FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent Measurement

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

- *Financial assets at amortized cost (debt instruments)*
  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 statement of income when the asset is derecognized, modified or impaired.

  The Group's financial assets at amortized cost include cash and cash equivalents, trade receivables, loan receivable, receivables from lessees of bunkhouses and short-term investments under "Other current assets" (see Notes 4, 5 and 8).

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

  The Group's financial assets at FVPL include its investments in unit investment trust fund (UITF) (see Note 7).

- *Financial assets at FVOCI*
  Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in the consolidated

statement of comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group's financial assets at FVOCI include investments in quoted shares (see Note 12).

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

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

For cash and cash equivalents, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses publicly available ratings to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

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

For other receivables, the Group calculates ECLs at initial recognition by considering the consequences and probabilities of possible defaults only for the next 12 months, rather than the life of the asset. It continues to apply this method until a significant increase in credit risk has occurred, at which point the loss allowance is measured based on lifetime ECLs.

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

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

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

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.

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

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

Subsequent Measurement - Financial liabilities at amortized cost (loans and borrowings)
After initial measurement, interest-bearing loans, non-interest-bearing liabilities and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statement of income when the liabilities are derecognised as well as through the EIR amortization process.

The Group's financial liabilities include loans payable, trade payables and accrued expenses under "trade and other payables", lease liabilities and equity of claim owners on contract operations under "other noncurrent liabilities" (see Notes 13, 14, 15 and 17).

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

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

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

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

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

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

For assets and liabilities that are recognized in the consolidated financial statements at fair value 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.

<u>Inventories</u>
Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

Materials and supplies	-	at purchase price less purchase discount, returns and rebates on a first-in, first-out method
Beneficiated nickel ore	-	at cost on a moving average production method during the year exceeding a determined cut-off grade
Quicklime and slakelime	-	at cost on a moving average production method
Gold buttons	-	at cost on a moving average production method
Subdivision lots	-	at land costs, amounts paid to contractors for costs incurred in the development and improvement of the properties (planning and design costs, cost of site preparation, professional fees, property taxes, construction overheads and other related costs)

Net realizable value (NRV) for materials and supplies represents the current replacement cost. NRV for beneficiated nickel ore, quicklime and slakelime, gold bullions or buttons, and subdivision lots is the estimated selling price in the ordinary course of business less costs of completion and estimated costs necessary to make the sale.

<u>VAT</u>
Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

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

Deferred input VAT arises from the Groups' unsettled purchase of services and will be claimed as input VAT upon payment.

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

Exploration and evaluation activity include:
- 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 consolidated statement of 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 and mining 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.

Property, Plant and Equipment
Property, plant and equipment, except land and artworks, are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation, depletion and amortization and accumulated impairment in value, if any. Such cost includes the cost of replacing part of such property, plant and equipment if the recognition criteria are met.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates, depletes and amortizes them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statement of income when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

CIP is recorded at cost. This includes costs of construction and other direct costs. CIP is not depreciated until such time that the relevant asset is completed, transferred to the appropriate account and put into operational use.

Land is carried at revalued amount less any impairment in value. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Artworks, which the Group holds for aesthetic purposes, are also stated at revalued amount less any accumulated depreciation and accumulated impairment in value. Depreciable amount is determined after considering the residual value. The initial cost of artworks includes purchase consideration, the fair value in the case of vested assets, and those costs that are directly attributable to bringing the asset to its location and condition necessary for its intended purpose.

The increment from valuation of land and artworks, net of deferred tax liability, resulting from the revaluation is credited to revaluation increment under the other components of equity caption included in the equity section in the consolidated statement of financial position. However, to the extent that it reverses a revaluation deficit of the same asset previously recognized in the consolidated statement of income, the increase is recognized in consolidated statement of income. A revaluation deficit is recognized in the consolidated statement of income, except to the extent that it offsets an existing surplus on the same asset recognized in the revaluation increment. Upon derecognition of the revalued property, the relevant portion of the revaluation increment realized in respect of previous valuations is released from the revaluation increment directly to retained earnings.

Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the assets as follows:

Category	Number of years
Port facilities	25
Land improvements	3-25
Buildings	5-20
Machinery, tools and equipment	2-15

Right-of-Use Assets
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, as follows:

Leased assets	Lease terms
Land	10 to 25 years
Office spaces	5 to 8 years
Clinic spaces	3 years
Vehicle	2 years

Right-of-use assets are subject to impairment.

The estimated useful lives, residual values and depreciation and amortization method are reviewed periodically to ensure these are consistent with the expected pattern of economic benefits from items of property, plant and equipment. The useful lives and residual values are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

Fully depreciated assets are retained in the accounts until these are no longer in use. No further depreciation is charged to current operation for these items.

Mine and Mining Properties
Capitalized expenditure is assessed for impairment and is transferred from deferred exploration costs to mine development costs when it has been established that a mineral deposit is commercially mineable, development sanctioned, and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit).

After transfer of the deferred exploration costs, all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalized in mine development costs. Development expenditure is net of proceeds from the sale of ore extracted during the development phase to the extent that it is considered integral to the development of the mine. Any costs incurred in testing the assets to determine if they are functioning as intended, are capitalized, net of any proceeds received from selling any product while testing. Where these proceeds exceed the cost of testing, any excess is recognized in the consolidated statement of income.

No depletion is charged during the mine development phases.

When the Group has already achieved commercial levels of production, mine development costs are moved to mine and mining properties. Commercial production is deemed to have commenced when management determines that the completion of operational commissioning of major mine and plant components is completed, operating results are being achieved consistently for a period of time and that there are indicators that these operating results will be continued.

The carrying value of mine and mining properties represents total expenditures incurred to date on the area of interest, less accumulated depletion and any impairment.

When a mine construction project moves into the production phase, the capitalization of certain mine construction costs ceases, and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalization relating to mining asset additions, improvements or new developments, underground mine development or mineable reserve development.

Mine and mining properties are subject to depletion, which is computed using the units-of-production method based on the economically recoverable reserves. Mine and mining properties include the initial estimate of provision for mine rehabilitation and decommissioning, for which the Group is constructively liable.

Investment Properties
Investment properties pertain to properties, which are held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period. Gains or losses arising from changes in the fair values of investment properties are included in the consolidated statement of income in the period in which these arise. Fair values are determined based on the revaluation performed by an accredited external independent appraiser. Upon derecognition of the investment property, the portion of the revaluation increment realized in respect of previous valuation is released from the revaluation increment directly to retained earnings.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gains or losses on the retirement or disposal of investment property is recognized in the consolidated statement of income in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. Transfers between investment property and owner-occupied property do not change the carrying amount of the investment property transferred and they do not change the cost of the property.

If an owner-occupied property becomes an investment property that will be carried at fair value, the Group shall apply PAS 16, *Property, Plant and Equipment*, up to the date of change in use. The Group shall treat any difference at that date between the carrying amount of the property and its fair value in the same way as a revaluation in accordance with PAS 16. On subsequent disposal of the investment property, the revaluation surplus included in equity shall be transferred to retained earnings.

Impairment of Nonfinancial Assets
The Group assesses, at the end of each reporting period, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the consolidated statement of income in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to consolidated statement of comprehensive income. For such properties, the impairment is recognized in consolidated statement of comprehensive income up to the amount of any previous revaluation.

For the other assets, an assessment is made at the end of each reporting period to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, depletion or amortization, had no impairment loss been recognized for that asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase.

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 Group 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, and
- 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 of 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 consolidated statement of income.

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

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.

The Group has elected to classify interest paid on lease liabilities as cash flows from operating activities.

Short-term Leases
The Group applies the short-term lease recognition exemption to its short-term leases of clinic spaces (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). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Provisions
General
Provisions 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. When the Group expects some or all of the provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of income, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as interest expense in the consolidated statement of income.

Liability for Mine Rehabilitation
Mine rehabilitation costs will be incurred by the Group either while operating, or at the end of the operating life of, the Group's facilities and mine and mining properties. The Group assesses its mine rehabilitation provision at each reporting date. The Group recognizes a rehabilitation provision where it has a legal and constructive obligation as a result of past events, and it is probable that an outflow

of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. The nature of these restoration activities include: dismantling and removing structures; rehabilitating mines and tailings dams; dismantling operating facilities; closing plant and waste sites; and restoring, reclaiming and re-vegetating affected areas.

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

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

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

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

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

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

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

<u>Capital Stock and Capital Surplus</u>
Common and preferred shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from proceeds. The excess of proceeds from issuance of shares over the par value of shares less any incremental costs directly attributable to the issuance, net of tax, is credited to capital surplus.

Revenue Recognition
The Group is principally engaged in the business of producing gold and nickel ore. 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 or services before transferring them to the customer.

Sale of Mine Products
Revenue from sale of mine products is recognized at the point in time when the control of the asset is transferred to the customer which is normally at the time of shipment, and the selling prices are known or can be reasonably estimated. Revenue from sale of gold is measured at the prevailing international gold buying price and prevailing Philippine peso to United States dollar buying rate set by the Bangko Sentral ng Pilipinas (BSP) Treasury department on a daily basis and is recognized based on the initial weight and assay tests, which represent the best estimate. Revenue from sale of nickel ore is measured based on contract at the prevailing price at Ferro Alloy and prevailing Philippine peso to United States dollar buying rate and is recognized based on the initial weight and assay tests, which represent the best estimate. Subsequent adjustments to revenue due to quantity and/or quality changes are recognized upon determination of the final weight and assay tests.

BSP Refining Charges
BSP refining charges are deducted from revenue to arrive at revenue from contracts with customers since BSP refining charges are necessary expenses by BSP in determining the final gold content.

Despatch/Demurrage
Despatch/demurrage is added/deducted from revenue to arrive at revenue from contracts with customers. Despatch is earned when shipment is loaded earlier than the allowable lay time while demurrage is incurred when shipment is not loaded on time.

Medical and Dental Services
The Group has contracts with customers to provide medical and dental services. Each individual service is either sold separately or bundled together with other medical services. In determining the transaction price for the sale of medical and dental services, the Group considers the effects of variable consideration.

Revenue from medical and dental services are recognized over the period in which the medical and dental services are provided, and are included as part of the Group's sale of goods and services in Note 20.

Trucking Services
The Group provides trucking services for the transportation of mining materials and construction supplies.

Revenue from trucking services is computed as actual delivered cubic meters multiplied by the contract price. The Group has concluded that revenue from trucking services is recognized over time since the customers simultaneously benefits as the Group performs the services. Revenue from trucking services is included as part of the Group's sale of goods and services in Note 20.

Port Services
Revenue from port service is recognized over time upon loading of ores to the vessel and is included as part of the Group's sale of goods and services in Note 20.

Excise Taxes and Royalty Fees
Excise taxes and royalty fees pertain to the taxes paid or accrued by the Group arising from the production of gold and nickel ore. These taxes and royalties are recognized once revenue from the sale of the related mine product is recognized.

Pension and Other Post-employment Benefits
The Parent Company, BRMC, BLI and AFCC have separate, noncontributory, defined benefit pension plans, covering all permanent, regular and full-time employees.

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

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

Remeasurements, comprising of actuarial gains or losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in the net interest on the net defined benefit liability), are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which these occur. Remeasurements are not reclassified to consolidated statement of income in subsequent periods.

Past services costs are recognized in the consolidated statement of income on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under “costs of mine products sold”, “costs of services and other sales” and “selling and general expenses” in the consolidated statement of income:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

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

Share-based Payment Transactions
Employees (including senior executives) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, in employee benefits expense.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The profit and loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits.

No expense is recognized for awards that do not ultimately vest, except for equity settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense computed based on the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the Group or by the counterparty, any remaining element of the fair value of the award is expensed immediately in the consolidated statement of income.

When the terms of an equity-settled award are 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. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Where an equity-settled award expires or is cancelled, its cost is transferred to capital surplus.

Forfeitures revise the expense to reflect the best available estimate of the number of equity instruments expected to vest.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Foreign Currencies
The Group's consolidated financial statements are presented in Philippine peso, which is also the Parent Company's functional currency. 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. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

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 consolidated statement of income with the exception of monetary items that are designated as part of the hedge of the Group's net investment of foreign operation. These are recognized in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to consolidated statement of income. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

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. The gain or loss on translation of non-monetary items measured at fair value of the item is treated in line with the recognition of the gain or loss arising on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or consolidated statement of income are also recognized in OCI or consolidated statement of income, respectively).

Foreign Subsidiaries
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 income are translated at the average exchange rates for the year. The exchange differences arising on the translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the consolidated statement of income.

<u>Income Taxes</u>
Current Tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as of the end of the reporting period in the country where the Group operates and generates taxable income.

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

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:
- Where 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 (tax loss)
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can

be controlled by the parent, investor or venturer and it is probable that the temporary differences will not reverse in the foreseeable future

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

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

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

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

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

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

Uncertainty Over Income Tax Treatments

The Group assesses at the end of each financial 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. It 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 as part of current income tax liabilities or deferred income tax liabilities.

Earnings Per Share (EPS)

Basic EPS amount is calculated by dividing net income for the year attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding, adjusted for any stock dividends declared during the year.

Diluted EPS amount is calculated by dividing the net profit attributable to ordinary equity holders of the Parent Company (after deducting interest on the convertible cumulative preference shares) by the weighted average number of ordinary shares outstanding, adjusted for any stock dividends declared during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

If the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalization, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are authorized for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares. The fact that per share calculations reflect such changes in the number of shares shall be disclosed. In addition, basic and diluted earnings per share of all periods presented shall be adjusted for the effects of errors and adjustments resulting from changes in accounting policies accounted for retrospectively.

Operating Segments

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

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

Segment liabilities include all operating liabilities and consist principally of trade and other payables, accrued expenses and bank loans. Segment assets and liabilities do not include deferred taxes.

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

Events After the Reporting Period

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

3. Summary of Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRSs requires the Group to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from such estimates.

Judgments
In the process of applying the Group's accounting policies, management has made following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Assessing Provisions and Contingencies
The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the Group's defense in these matters and is based upon an analysis of potential results. The Group assessed that these proceedings will not have a material adverse effect on its financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (see Note 36).

Distinction between Investment Property and Owner-Occupied Property
The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property is not occupied substantially for use by, or in operations of the Group, not for sale in the ordinary course of business, but is held primarily to earn rental income or capital appreciation. Owner-occupied properties generate cash flows that are attributable not only to the property but also to the other assets used in the production or supply.

Principal versus Agent Considerations
The Group enters into contracts with customers wherein the Group charges the customers for the services rendered. The Group determined that it does not control the goods or services before they are transferred to customers, and it does not have the ability to direct the use of the services or obtain benefits from the services. The following factors indicate that the Group does not control the services before they are being transferred to customers. Therefore, the Group determined that it is an agent in these contracts.
- The Group is not primarily responsible for fulfilling the promise to provide the professional services.
- The Group has no discretion in establishing the price for the services provided. The Group's consideration in these contracts is only based on the difference between the Group and the customer.

The Group determined that it is an agent with respect to the professional fees of its tenant doctors. Meanwhile, the Group concluded that it is the principal in all its other revenue streams.

Assessing Recoverability of Deferred Mine Exploration Costs
The Group reviews the recoverability of deferred mine exploration costs when events or changes in circumstances indicate that the carrying amount of deferred mine exploration costs may exceed its estimated recoverable amount. The Group considers the following factors, among others, in its assessment:
- Status of each mine exploration project and plans on exploration and evaluation activities
- Validity of the licenses, permits and correspondences related to each mine exploration project
- Plans to abandon existing mine areas and plans to discontinue exploration activities
- Availability of information suggesting that the recovery of expenditure is unlikely

The Group's ability to realize its deferred exploration costs depends on the success of exploration and development work in proving the viability of its mining properties to produce minerals in commercial quantities, and the success of converting the Group's exploration permits to new mineral agreements, which cannot be determined at this time. The consolidated financial statements do not include any adjustment that might result from these uncertainties.

As at December 31, 2023 and 2022, deferred mine exploration costs amounted to ₱520.37 million and ₱492.51 million, respectively (see Note 10).

Estimates and Assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year, are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when these occur.

Provision for Expected Credit Losses on Trade and Other Receivables

The Group uses the simplified approach in the assessment of the ECL for its trade receivables and general approach model for its other receivables excluding advances to officers and employees. An assessment of the ECL relating to this financial asset is undertaken upon initial recognition and each financial year and involves exercise of significant judgment. Key areas of judgment include defining default, determining assumptions to be used such as timing and amounts of expected net recoveries from defaulted accounts, determining debtor's capacity to pay, and incorporating forward looking information.

The Group recognized provision for ECL, net of recoveries, amounting to ₱0.92 million in 2023 while recoveries, net of provision, amounting to ₱6.66 million in 2022. The carrying amount of trade and other receivables, excluding advances to officers and employees, amounted to ₱601.91 million and ₱666.78 million as at December 31, 2023 and 2022, respectively (see Note 5).

Estimating Ore Reserves

Ore reserves estimates are, to a large extent, based on the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies. The Group estimates its ore reserves based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore body, and requires complex geological judgments to interpret the data. The Group also makes estimates and assumptions regarding a number of economic and technical factors affecting ore reserves estimates, such as production rates, grades, foreign exchange rates, production and transport costs, and commodity prices.

These geological, economic and technical estimates and assumptions may change in the future in ways, which can affect the quality and quantity of the ore reserves. The Group reviews and updates estimates as required to reflect actual production, new exploration data or developments and changes in other assumptions or parameters. These estimates will change from time to time to reflect mining activities, analyses of new engineering and geological data, changes in ore reserve and mineral resource holdings, modifications of mining plans or methods, changes in nickel or gold prices or production costs, and other factors.

Changes in the ore reserves estimates may impact the carrying values of mine and mining properties under "property, plant and equipment, liability for mine rehabilitation and decommissioning and depletion charges.

As at December 31, 2023 and 2022, carrying values of mine and mining properties amounted to ₱651.56 million and ₱646.06 million, respectively (see Note 9). Depletion charges recognized amounted to ₱25.92 million, ₱41.76 million and ₱73.60 million in 2023, 2022 and 2021, respectively (see Notes 9 and 25).

As at December 31, 2023 and 2022, liability for mine rehabilitation amounted to ₱62.13 million and ₱59.06 million, respectively (see Note 16).

Estimating Recoverability of Property, Plant and Equipment
The Group assesses impairment on property, plant and equipment whenever events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable.

The factors that the Group considers important which could trigger an impairment review include the following:
- Significant underperformance relative to expected historical or projected future operating results
- Significant changes in the manner of use of the acquired assets or the strategy for overall business, and
- Significant negative industry or economic trends

In determining the present value of estimated future cash flows expected to be generated from the continued use of the property, plant and equipment, the Group is required to make estimates and assumptions such as commodity prices (considering current and historical prices, price trends and related factors), discount rates and foreign currency exchange rates, operating costs, future production levels and costs. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets. In such circumstances, some or all of the carrying amount of the assets may be further impaired or the impairment charge reduced with the impact recognized in the consolidated statement of income.

The Group did not recognize any impairment loss in 2023, 2022 and 2021 on property, plant and equipment.

As at December 31, 2023 and 2022, property, plant and equipment (at cost) amounted to ₱789.94 million and ₱780.20 million, respectively (see Note 9).

Estimating Allowance for Inventory Obsolescence
The Group maintains allowance for inventory losses at a level considered adequate to reflect the excess of cost of inventories over their NRV. NRV of inventories are assessed regularly based on prevailing estimated selling prices of inventories and the corresponding cost of disposal. Decrease in the NRV of inventories resulting in an amount lower than the original acquisition cost is accounted for as an impairment loss that is recognized in profit or loss.

As at December 31, 2023 and 2022, the carrying value of inventories amounted to ₱247.96 million and ₱180.57 million, respectively (see Note 6).

Assessing Impairment of Input VAT under Other Current Assets and Advances to Contractors and Suppliers and Input VAT under Noncurrent Assets
The Group provides allowance for impairment losses on input VAT under other current assets and advances to contractors and supplies and input VAT under noncurrent assets when these can no longer be realized. The amounts and timing of recorded expenses for any period would differ if the Group made different judgments or utilized different estimates. An increase in allowance for probable loss would increase recorded expenses and decrease other current and noncurrent assets.

The total carrying value of input VAT under other current assets and advances to contractors and suppliers and input VAT under noncurrent assets amounted to ₱450.58 million and ₱612.49 million as at December 31, 2023 and 2022, respectively (see Notes 8 and 12).

Revaluation of Property, Plant and Equipment and Investment Properties
The Group carries its investment properties at fair value, with changes in fair value being recognized in the consolidated statement of income. In addition, it measures the land and artworks at revalued amounts, with changes in fair value being recognized in other comprehensive income. The land, artworks and investment properties were valued using the sales comparison approach. The determination of the fair values of these properties involves significant management judgment and estimations. The valuation also requires the assistance of external appraisers whose calculations also depend on certain assumptions, such as sales and listing of comparable properties registered within the vicinity and adjustments to sales price based on internal and external factors.

As at December 31, 2023 and 2022, the appraised value of land and artworks, and investment properties amounted to ₱4,774.57 million and ₱4,721.69 million, respectively (see Notes 9 and 11).

Unit-of-production (UOP) depreciation
Estimated economically recoverable reserves are used in determining the depreciation and/or amortization of mine-specific assets. This results in a depreciation/amortization charge proportional to the depletion of the anticipated remaining life-of-mine production. The life of each item, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation/amortization could be impacted to the extent that actual production in the future is different from current forecast production based on economically recoverable reserves, or if future capital expenditure estimates change. Changes to economically recoverable reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:
- The effect on economically recoverable reserves of differences between actual commodity prices and commodity price assumptions
- Unforeseen operational issues

Changes in estimates are accounted for prospectively.

As at December 31, 2023 and 2022, the carrying amount of mine and mining properties amounted to ₱615.86 million and ₱580.18 million, respectively (see Note 9). Carrying amount of mine rehabilitation asset amounted to ₱35.70 million and ₱41.96 million as of December 31, 2023 and 2022, respectively (see Note 9).

Leases – Estimating the Incremental Borrowing Rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

The Group's lease liabilities amounted to ₱8.33 million and ₱12.11 million as at December 31, 2023 and 2022, respectively (see Note 15).

Estimating Liability for Mine Rehabilitation
The Group estimates the costs of mine rehabilitation based on previous experience in rehabilitating fully mined areas in sections of the mine site. These costs are adjusted for inflation factor based on the average annual inflation rate as of adoption date or re-evaluation of the asset dismantlement, removal or restoration costs. Such adjusted costs are then measured at present value using the market interest rate for a comparable instrument adjusted for the Group's credit standing. While management believes that its assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in the assumptions may materially affect the Group's liability for mine rehabilitation.

Liability for mine rehabilitation amounted to ₱62.13 million and ₱59.06 million as at December 31, 2023 and 2022, respectively (see Note 16).

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

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

The mortality rate is based on publicly available mortality tables for the Philippines and is modified accordingly with estimates of mortality improvements. Future salary increases, and pension increases are based on expected future inflation rates for the Philippines.

Further details about the assumptions used are provided in Note 29.

Net pension liability of the Group amounted to ₱58.19 million and ₱56.02 million as at December 31, 2023 and 2022 respectively (see Note 29).

Assessing Realizability of Deferred Tax Assets
The Group reviews the carrying amounts of deferred tax assets at each end of the reporting period and reduces deferred tax assets to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Management believes that there is no assurance that the Group will generate sufficient taxable profit to allow all or part of its deferred tax assets to be utilized.

The Group recognized deferred tax assets amounting to ₱105.07 million and ₱95.47 million as at December 31, 2023 and 2022, respectively (see Note 30).

The Group did not recognize deferred tax assets as at December 31, 2023 and 2022 on the remaining unused NOLCO, MCIT and deductible temporary differences (see Note 30).

4. Cash and Cash Equivalents

	2023	2022
Cash on hand and in banks	**₱630,810**	₱949,142
Short-term deposits	**143,382**	53,608
	₱774,192	₱1,002,750

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

Interest income from cash and cash equivalents amounted to ₱3.34 million, ₱1.35 million and ₱0.79 million in 2023, 2022, and 2021, respectively (see Note 26).

5. Trade and Other Receivables

	2023	2022
Trade	**₱183,429**	₱292,401
Loan receivable	**258,622**	258,622
Nontrade	**230,250**	186,833
Advances to officers and employees	**146,649**	117,554
Employee stock ownership incentive plan (ESOIP) (Note 27)	**58,416**	58,416
Receivables from lessees of bunkhouses	**9,648**	3,855
Others	**17,101**	21,289
	904,115	938,970
Less allowance for ECLs and impairment losses	**157,389**	156,465
	₱746,726	₱782,505

Trade and nontrade receivables, and receivables from lessees of bunkhouses are noninterest-bearing and are generally collectible within a period of one year.

Loan Receivable
On March 3, 2010, MMC granted an unsecured loan facility to a third party with an interest rate of 9% per annum. Outstanding receivable from this loan, including accrued interest, amounted to ₱208.86 million, net of allowance amounting to ₱49.76 million as at December 31, 2023 and 2022. In 2021, this loan was negotiated for a longer term with 1% annual interest income and due date is on December 31, 2023 and was reclassified to other noncurrent assets in 2021. In 2022, the loan was reverted to other current assets. Interest earned for this loan amounted to nil in 2023 and 2022 while ₱2.46 million in 2021 (see Note 26).

Other receivables comprise various receivables of the Group which are normally settled within the period, while advances to officers and employees pertain to cash advances that are used in the operations of the Group and are subject to liquidation.

Movements in allowance for ECL and impairment losses in 2023 and 2022 are as follows:

	2023							
	Trade Receivables	**Nontrade Receivables**	**Advances to officers and employees**	**ESOIP** (Note 27)	**Loans receivable**	**Receivables from lessees of bunkhouses**	**Others**	**Total**
Balances at beginning of year	**₱31,890**	**₱8,409**	**₱1,830**	**₱58,416**	**₱49,763**	**₱3,855**	**₱2,302**	**₱156,465**
Provisions (Note 23)	**1,118**	**–**	**–**	**–**	**–**	**–**	**–**	**1,118**
Recoveries (Note 23)	**(12)**	**–**	**–**	**–**	**–**	**–**	**(182)**	**(194)**
Balances at end of year	**₱32,996**	**₱8,409**	**₱1,830**	**₱58,416**	**₱49,763**	**₱3,855**	**₱2,120**	**₱157,389**

	2022							
	Trade Receivables	Nontrade Receivables	Advances to officers and employees	ESOIP (Note 27)	Loans receivable	Receivables from lessees of bunkhouses	Others	Total
Balances at beginning of year	₱38,702	₱8,409	₱1,830	₱58,416	₱–	₱3,689	₱2,315	₱113,361
Provisions (Note 26)	64	–	–	–	–	166	–	230
Recoveries (Note 26)	(6,876)	–	–	–	–	–	(13)	(6,889)
Reclassifications (Note 12)	–	–	–	–	49,763	–	–	49,763
Balances at end of year	₱31,890	₱8,409	₱1,830	₱58,416	₱49,763	₱3,855	₱2,302	₱156,465

Except for those impaired accounts, the Group assessed trade and other receivables as collectible and in good standing.

6. Inventories

	2023	2022
At Cost:		
Beneficiated nickel ore	**₱193,506**	₱121,377
Gold button	**–**	3,565
Quicklime and slakelime	**8,850**	1,956
Subdivision lots and housing units for sale	**1,122**	1,897
	203,478	128,795
At NRV:		
Materials and supplies	**201,095**	208,391
Provision for inventory obsolescence	**(156,614)**	(156,614)
	44,481	51,777
	₱247,959	₱180,572

As at December 31, 2023 and 2022, the NRV of the Group's beneficiated nickel ore, gold button, quicklime and slakelime, and subdivision lots is higher than the related cost.

The gold button inventory represents gold and silver by-product produced by the Group in 2023. These mineral products were immediately sold the following year. The gold button inventory includes depreciation and depletion related to the production of gold amounting to nil, ₱0.05 million and nil in 2023, 2022 and 2021, respectively (see Note 25).

The amount of beneficiated nickel ore inventory recognized as expense, included in the costs of mine products sold in the consolidated statements of income amounted to ₱120.79 million, ₱152.00 million and ₱238.36 million in 2023, 2022 and 2021, respectively.

The aggregate cost of beneficiated nickel ore inventory that decreased cost of mine products sold amounted to ₱72.13 million and ₱40.56 million in 2023 and 2021, respectively and increased cost of mine products sold amounted to ₱5.09 million in 2022 (see Note 21).

Movements of provision for inventory obsolescence on materials and supplies are as follows:

	2023	2022
Balances at beginning of year	**₱156,614**	₱175,502
Recoveries (Note 26)	**–**	(18,888)
Balances at end of year	**₱156,614**	₱156,614

Materials and supplies charged to current operations amounted to ₱205.95 million, ₱283.31 million and ₱210.83 million in 2023, 2022 and 2021, respectively (see Notes 21, 22 and 23). There are no purchase commitments related to inventories or inventories pledged as security for liabilities as at December 31, 2023 and 2022.

7. Financial Assets at FVPL

The Groups's financial assets at FVPL are investments in UITF.

Movements in financial assets at FVPL are as follows:

	2023	2022
Beginning balance	**₱1,114,611**	₱674,977
Additions	**162,276**	480,732
Disposals	**–**	(59,311)
Changes in fair value (Note 26)	**51,893**	18,213
Ending balance	**₱1,328,780**	₱1,114,611

Movements in cumulative gain from change in fair value are as follows:

	2023	2022
Beginning balance	**₱7,447**	₱2,389
Changes in fair value (Note 26)	**51,893**	18,213
Disposals	**–**	(13,155)
Ending balance	**₱59,340**	₱7,447

8. Other Current Assets

	2023	2022
Short-term investments	**₱407,533**	₱–
Input VAT – net	**175,276**	280,549
Deferred input VAT	**43,482**	58,318
CWTs	**28,400**	10,055
Prepaid expenses	**3,714**	5,521
Others	**10,888**	6,706
	669,293	361,149
Less allowance for impairment losses on input VAT	**8,724**	8,719
	₱660,569	₱352,430

BRMC refunded input VAT for the taxable years 2019 to 2022. The BIR disallowed input VAT claims amounting to ₱7.95 million, ₱12.69 million and ₱7.38 million in 2023, 2022 and 2021, respectively (see Notes 23 and 26).

In 2014, 2015 and 2016, AFCC applied for refund of CWTs totaling ₱61.16 million. On November 15, 2021, a notice of decision was received which partially granted as refundable amount representing excess and unutilized CWTs for the taxable year 2014 amounting to ₱15.59 million. On May 6, 2022, AFCC filed a Petition for Review with the CTA En Banc to appeal the denial of the Motion for Partial Reconsideration. As at March 22, 2024, AFCC is still awaiting the Court of Tax Appeals' final decision. In 2021, the Group provided an allowance for impairment loss amounting to ₱9.48 million for the remaining ungranted refund for the taxable year 2014 (see Note 26).

Short-term investments pertain to time deposits with maturities of more than three (3) months but less than one (1) year and earn interest at the respective short-term placement rates. Interest income from short-term investments amounted to ₱6.56 million in 2023 while nil in 2022 and 2021 (see Note 26). In 2023, the Group invested ₱406.54 million in short-term investments.

Others include surety bonds and security deposits. Surety bonds pertain to the agreement to guarantee compliance with MGB in putting a trust fund for Mineral Ore Export Permit issuance. This is valid for one year and a subject for renewal. Security deposits are deposits to satisfy lease obligation of the Group. These are refundable at the end of the lease term.

In 2023, the Group recognized provision for impairment losses on input VAT amounting to ₱5.00 thousand while in 2022, the Group recognized reversal for impairment loss on advances to contractors amounting ₱39.25 million.

9. Property, Plant and Equipment

a. Property, plant and equipment – at revalued amount

The Group's property, plant and equipment items carried at revalued amounts are as follows:

	2023	2022
Land	**₱1,724,475**	₱1,677,566
Artworks	**52,139**	52,139
	₱1,776,614	₱1,729,705

Land – at revalued amount

The Group engaged independent firms of appraisers to determine the fair value of its land and artworks classified under property, plant and equipment in the consolidated statements of financial position. The appraisers determined the fair value of the Group's land based on its market value in 2023 and is categorized under level 3. The assigned values were estimated using the sales comparison approach, which considers the sales of similar or substitute properties and their related market values and establishes value estimates through processes involving comparisons.

	2023		
	Cost	**Revaluation increment**	**Total**
Balances at beginning of year	**₱68,399**	**₱1,609,167**	**₱1,677,566**
Change in fair value	**–**	**46,790**	**46,790**
Reclassification (Note 11)	**120**	**–**	**120**
Balances at end of year	**₱68,519**	**₱1,655,957**	**₱1,724,476**

	2022		
	Cost	Revaluation increment	Total
Balances at beginning of year	₱68,399	₱1,582,865	₱1,651,264
Change in fair value	–	26,302	26,302
Balances at end of year	₱68,399	₱1,609,167	₱1,677,566

Artworks – at revalued amount
Independent revaluations are performed every three to five years by an independent appraiser. The latest appraisal was performed by Heritage Arts & Antiquities, Inc., an independent appraiser for the year ended December 31, 2019, in which the fair value measurement is categorized under Level 3. The assigned value was estimated using the sales comparison approach, which considers the sales of similar or substitute properties and related market values and establishes value estimates by processes involving comparisons. In general, a property being valued is compared with sales of similar properties that have been transacted in the open market. Listings and offerings may also be considered.

Carrying values of artworks at revalued amounts amounted to ₱52.14 million as at December 31, 2023 and 2022.

The artworks would have been recorded at ₱0.90 million in the consolidated statement of financial position had these been carried at cost.

Management assessed that the residual value of the artworks approximates the revalued amount as at December 31, 2023 and 2022, and therefore, no depreciation was recognized in both years.

Movements in the revaluation increment on land and artworks shown as part of other components of equity are as follows:

	2023	2022	2021
Beginning balance	**₱1,325,985**	₱1,305,820	₱1,127,236
Revaluation during the year	**36,066**	20,700	178,584
Transfer to retained earnings (Note 11)	**–**	(535)	–
Ending balance	**₱1,362,051**	₱1,325,985	₱1,305,820

b. Property, Plant and Equipment – at cost

	2023							
	Land improvements	**Buildings**	**Machinery, tools and equipment**	**Mine and mining properties**	**Port facilities**	**CIP**	**Right-of-use assets**	**Total**
Cost:								
Beginning balance	**₱75,209**	**₱311,390**	**₱1,024,797**	**₱1,633,095**	**₱101,517**	**₱24,912**	**₱31,090**	**₱3,202,010**
Additions	**–**	**196**	**19,658**	**36,356**	**–**	**12,043**	**2,052**	**70,305**
Disposals and derecognition	**–**	**–**	**(1,045)**	**–**	**–**	**–**	**(15,985)**	**(17,030)**
Reclassification	**–**	**187**	**–**	**–**	**15,625**	**(15,812)**	**–**	**–**
Change in estimate of the liability for mine rehabilitation (Note 16)	**–**	**–**	**–**	**(4,940)**	**–**	**–**	**–**	**(4,940)**
Ending balance	**75,209**	**311,773**	**1,043,410**	**1,664,511**	**117,142**	**21,143**	**17,157**	**3,250,345**
Accumulated depreciation and depletion:								
Beginning balance	**75,209**	**310,757**	**988,594**	**987,031**	**40,091**	**–**	**20,128**	**2,421,810**
Depreciation and depletion (Note 25)	**–**	**1,016**	**18,776**	**25,923**	**4,331**	**–**	**5,584**	**55,630**
Disposals and derecognition	**–**	**–**	**(1,045)**	**–**	**–**	**–**	**(15,985)**	**(17,030)**
Ending balance	**75,209**	**311,773**	**1,006,325**	**1,012,954**	**44,422**	**–**	**9,727**	**2,460,410**
Net book values	**₱–**	**₱–**	**₱37,085**	**₱651,557**	**₱72,720**	**₱21,143**	**₱7,430**	**₱789,935**

	2022							
	Land improvements	Buildings	Machinery, tools and equipment	Mine and mining properties	Port facilities	CIP	Right-of-use assets	Total
Cost:								
Beginning balance	₱75,209	₱311,390	₱994,698	₱1,641,944	₱101,517	₱40,329	₱32,666	₱3,197,753
Additions	–	–	37,527	3,637	–	4,219	–	45,383
Disposals and derecognition	–	–	(7,860)	–	–	(11,395)	(1,576)	(20,831)
Reclassification	–	–	432	7,809	–	(8,241)	–	–
Change in estimate of the liability for mine rehabilitation (Note 16)	–	–	–	(20,295)	–	–	–	(20,295)
Ending balance	75,209	311,390	1,024,797	1,633,095	101,517	24,912	31,090	3,202,010
Accumulated depreciation and depletion:								
Beginning balance	75,209	307,607	973,170	945,269	35,856	–	12,254	2,349,365
Depreciation and depletion (Note 25)	–	3,150	23,284	41,762	4,235	–	8,829	81,260
Disposals and derecognition	–	–	(7,860)	–	–	–	(955)	(8,815)
Ending balance	75,209	310,757	988,594	987,031	40,091	–	20,128	2,421,810
Net book values	₱–	₱633	₱36,203	₱646,064	₱61,426	₱24,912	₱10,962	₱780,200

The Group's CIP includes the development of an enhanced mill production line in Balatoc, Benguet to increase the milling capacity of its gold operations.

Proceeds totaling ₱0.11 million, ₱0.16 million and nil in 2023, 2022 and 2021, respectively, from the disposal of fully depreciated property, plant and equipment resulted in net gain of ₱0.11 million, ₱0.16 million, and nil in 2023, 2022 and 2021, respectively (see Note 26).

The cost of fully depreciated property, plant and equipment still being used in the Group's operations amounted to ₱701.74 million and ₱661.23 million as at December 31, 2023 and 2022, respectively.

Movements in mine and mining properties in 2023 and 2022 are as follows:

	2023			
	Mine and mining properties	**Mine development cost**	**Mine rehabilitation asset**	**Total**
Cost:				
Balances at beginning of year	**₱1,521,554**	**₱23,925**	**₱87,616**	**₱1,633,095**
Addition	**36,356**	**–**	**–**	**36,356**
Reclassification	**23,925**	**(23,925)**	**–**	**–**
Change in estimate of the liability for mine rehabilitation (Note 16)	**–**	**–**	**(4,940)**	**(4,940)**
Balances at end of year	**1,581,835**	**–**	**82,676**	**1,664,511**
Accumulated depletion:				
Balances at beginning of year	**941,373**	**–**	**45,658**	**987,031**
Depletion (Note 25)	**24,600**	**–**	**1,323**	**25,923**
Balances at end of year	**965,973**	**–**	**46,981**	**1,012,954**
Net book values	**₱615,862**	**₱–**	**₱35,695**	**₱651,557**

	2022			
	Mine and mining properties	Mine development cost	Mine rehabilitation asset	Total
Cost:				
Balances at beginning of year	₱1,513,745	₱20,288	₱107,911	₱1,641,944
Addition	–	3,637	–	3,637
Reclassification	7,809	–	–	7,809
Change in estimate of the liability for mine rehabilitation (Note 16)	–	–	(20,295)	(20,295)
Balances at end of year	1,521,554	23,925	87,616	1,633,095
Accumulated depletion:				
Balances at beginning of year	902,437	–	42,832	945,269
Depletion (Note 25)	38,936	–	2,826	41,762
Balances at end of year	941,373	–	45,658	987,031
Net book values	₱580,181	₱23,925	₱41,958	₱646,064

Movements in right-of-use of assets in 2023 and 2022 are as follows:

	2023				
	Office Space	**Clinic Space**	**Transportation Equipment**	**Land**	**Total**
Cost:					
Balances at beginning of year	**₱20,424**	**₱5,310**	**₱–**	**₱5,356**	**₱31,090**
Additions	**–**	**–**	**2,052**	**–**	**2,052**
Termination	**(15,985)**	**–**	**–**	**–**	**(15,985)**
Balances at end of year	**4,439**	**5,310**	**2,052**	**5,356**	**17,157**
Accumulated depreciation:					
Balances at beginning of year	**14,072**	**3,924**	**–**	**2,132**	**20,128**
Depreciation (Note 15)	**4,133**	**849**	**239**	**363**	**5,584**
Termination	**(15,985)**	**–**	**–**	**–**	**(15,985)**
Balances at end of year	**2,220**	**4,773**	**239**	**2,495**	**9,727**
Net book values	**₱2,219**	**₱537**	**₱1,813**	**₱2,861**	**₱7,430**

	2022			
	Office Space	Clinic Space	Land	Total
Cost:				
Balances at beginning of year	₱20,424	₱5,310	₱6,932	₱32,666
Termination	–	–	(1,576)	(1,576)
Balances at end of year	20,424	5,310	5,356	31,090
Accumulated depreciation:				
Balances at beginning of year	6,621	3,048	2,585	12,254
Depreciation (Note 15)	7,451	876	502	8,829
Termination	–	–	(955)	(955)
Balances at end of year	14,072	3,924	2,132	20,128
Net book values	₱6,352	₱1,386	₱3,224	₱10,962

10. Deferred Mine Exploration Costs

Movements in deferred mine exploration costs are as follows:

	2023	2022
Balances at beginning of year	**₱659,494**	₱622,386
Additions	**28,310**	31,221
Translation adjustment	**(448)**	5,887
	687,356	659,494
Less allowance for impairment losses	**166,989**	166,989
Balances at end of year	**₱520,367**	₱492,505

Additions pertain to drilling, hauling, and other ongoing exploration and evaluation activities of the Group.

In 2021, BRMC wrote off its deferred exploration costs amounting to ₱16.51 million since it no longer needs to continue the study due to the current demand and marketability of the low-grade ores, from which the study was intended (see Note 26).

No movement in allowance for impairment loss on deferred mine exploration costs in 2023 and 2022.

11. Investment Properties

	2023	2022
Balances at beginning of year	**₱2,991,984**	₱2,910,663
Addition	**6,225**	–
Revaluation (Note 26)	**(136)**	85,332
Reclassification (Note 9)	**(120)**	–
Disposal	–	(4,011)
Balances at end of year	**₱2,997,953**	₱2,991,984

Investment properties include parcels of land located in Itogon, Benguet, Irisan, Baguio City and San Pedro, Laguna.

In April 2022, AFCC sold its parcel of land located in Barangay San Antonio, San Pedro, Laguna with an area of 2,045 sqm for ₱2,500 per sqm. The corresponding revaluation increment on this land amounting to ₱0.54 million recognized under other comprehensive income was transferred to retained earnings upon sale. The proceeds from the sale amounted to ₱4.63 million resulting in a gain amounting to ₱0.62 million (see Note 26).

In 2023, AFCC reclassified investment property amounting to ₱0.12 million into property and equipment due to the change in use of the property from being an investment property that is no longer held for long-term capital appreciation.

The Group engaged an independent appraiser to assess the fair market value of land under investment properties as at December 31, 2023 and 2022, respectively. The appraisal was performed by Cuervo Appraisers, Inc., an independent appraiser. The fair value of the investment properties was estimated using the sales comparative approach, which considers the sales of similar or substitute properties and related market values and establishes value estimates by processes involving comparisons (level 3).

Movements in accumulated fair valuation gains of investment properties are as follows:

	2023	2022
Balances at beginning of year	**₱1,405,164**	₱1,319,832
Revaluation (Note 26)	**(136)**	85,332
Balances at end of year	**₱1,405,028**	₱1,405,164

The Group recognized revaluation loss amounting to ₱0.14 million in 2023 and revaluation gain amounting to ₱85.33 million and ₱276.99 million in 2023, 2022 and 2021, respectively, and were included as other income (see Note 26).

Direct operating expenses from these investment properties amounted to nil in 2023 and 2022 while ₱0.76 million in 2021.

12. Other Noncurrent Assets

	2023	2022
Advances to contractors and suppliers	**₱407,665**	₱397,927
Input VAT	**47,589**	113,961
CWTs	**97,483**	44,162

(Forward)

	2023	2022
Mine rehabilitation fund (MRF)	**₱78,165**	₱72,156
Prepaid rent	**2,334**	2,281
Financial assets at FVOCI	**1,110**	1,709
Intangible asset	**–**	250
Others	**25,833**	10,677
	660,179	643,123
Less allowance for ECLs and impairment losses	**171,227**	171,227
	₱488,952	₱471,896

The Group made advance payments to a supplier of aircraft amounting ₱4.05 million and ₱245.95 million in 2023 and 2022, respectively, bringing the total balance to ₱250.00 million and ₱245.95 million as at December 31, 2023 and 2022, respectively. Meanwhile, the rest of the advances to contractors and supplier are for exploration and other related activities and projects.

MRF pertains to accounts opened with local banks in compliance with the requirements of DAO No. 2010-21, otherwise known as The Revised Implementing Rules and Regulations of the Philippine Mining Act of 1995. The MRF shall be used for physical and social rehabilitation of areas and communities affected by the mine operations, and for research in the social, technical and preventive aspects of the mine's rehabilitation. The funds earn interest at the respective bank deposit rates. Interest income earned from MRF amounted to ₱0.69 million, ₱0.74 million and ₱0.05 million in 2023, 2022 and 2021, respectively (see Note 26).

Financial assets at FVOCI pertain to investments in nonlisted and listed shares of stock in the Philippine Stock Exchange and Toronto Stock Exchange, which are carried at fair value based on bid market prices.

Movements in financial assets at FVOCI in 2023 and 2022 are as follows:

	2023	2022
Balances at beginning of year	**₱1,709**	₱877
Change in fair value	**43**	603
Additions	**–**	229
Disposals	**(642)**	–
Balances at end of year	**₱1,110**	₱1,709

The unrealized gain amounting to ₱0.37 million and ₱0.33 million representing the change in fair value of these financial assets as at December 31, 2023 and 2022 is shown as part of the other components of equity in the consolidated statements of financial position and in the consolidated statements of changes in equity (see Note 18). The fluctuations in value of these investments are also reported as part of other comprehensive income in the consolidated statements of comprehensive income.

Movements in unrealized gain (loss) on financial assets at FVOCI recognized as a separate component of equity are as follows (see Note 18):

	2023	2022	2021
Balances at beginning of year	**₱328**	(₱275)	₱1,164
Change in fair value	**43**	603	15
Transfer of fair value reserve to retained earnings	**–**	–	(1,454)
Balances at end of year	**₱371**	₱328	(₱275)

As at December 31, 2023 and 2022, the revalued amount of the intangible asset amounted to nil and ₱0.25 million after revaluation increment of nil and ₱0.04 million, recognized in other comprehensive income as at December 31, 2023 and 2022, respectively. No impairment loss was recognized in 2022 for this intangible asset.

In 2023, the Group sold the intangible asset with a net carrying amount of ₱0.23 million for a cash consideration of ₱0.38 million. The net gains on these disposals were recognized as part of other income in the consolidated statements of income (see Note 26).

Others pertain to various assets of the Group, which are individually insignificant and are expected to be realized beyond 12 months after the reporting period.

	2022			
	Loan receivable	Advances to contractors and suppliers	Input VAT	Total
Balances at beginning of year	₱49,763	₱140,038	₱30,251	₱220,052
Provision (Note 26)	–	938	–	938
Reclassifications (Note 5)	(49,763)	–	–	(49,763)
	₱–	₱140,976	₱30,251	₱171,227

There were no movements in allowance for impairment loss on advances to contractors and suppliers and input VAT in 2023.

13. Trade and Other Payables

	2023	2022
Trade	**₱345,933**	₱332,612
Nontrade	**53,003**	59,029
Output VAT – net	**60,392**	41,527
Accrued expenses:		
Power and utilities	**10,226**	32,165
Payroll	**3,315**	3,417
Professional fees and contracted services	**671**	730
Others	**9,930**	27,457
Excise taxes and royalties	**15,716**	1,643
Contract liabilities – current	**–**	47,234
Others	**8,615**	9,898
	₱507,801	₱555,712

Trade payables include import and local purchases of equipment, inventories and various parts and supplies used in the operations of the Group. These are noninterest-bearing and are normally settled in 60 to 90 days' terms.

Nontrade payables represent withholding taxes and other payables to regulatory agencies which are normally settled within one year.

Accrued expenses pertain to liabilities for professional fees, power and utilities, unclaimed wages, accrued vacation and sick leave credits, payroll and other administrative expenses which are normally settled within 60-90 days.

Excise taxes and royalties pertain to taxes payable by the Group for its legal obligation arising from the production of mine products.

Contract liabilities include amounts from off-take agreements and cash advances from BRMC's customers (see Note 17).

Movements in contract liabilities are shown below:

	2023	2022
Balances at beginning of year	**₱203,912**	₱351,884
Additions during the year	**155,606**	46,834
Effect of foreign exchange	**(1,640)**	(5,599)
Revenue recognized	**(253,282)**	(189,207)
Balance at end of year	**104,596**	203,912
Less noncurrent portion (Note 17)	**104,596**	156,678
Current portion	**₱–**	₱47,234

Others include individually insignificant payables which are normally settled within one year.

14. Loans Payable

	2023	2022
Secured loan	**₱48,348**	₱48,348
Unsecured loan	**36,715**	36,715
Accrued interest and penalties	**254,175**	251,972
	₱339,238	₱337,035

Secured loan
The Parent Company has a secured loan being renegotiated and is undergoing restructuring. Nominal interest rates vary from floating rate of 91-day Philippine PhP T-bill rate for peso loans and 3-month Sterling Overnight Indexed Average (SONIA) for foreign loans, plus margin of 2.5%.

The loan is secured by investment properties with carrying value of ₱2,553.62 million and ₱2,267.79 million as at December 31, 2023 and 2022, respectively.

Unsecured loan
The Parent Company has an unsecured loan from a third party with interest rate of 3% per annum which is due and demandable.

There were no principal payments for these loans in 2023 and 2022. In 2021, the Group settled in full a loan amounting to ₱182.32 million.

Accrued interest and penalties represent cumulative interest and default charges as at December 31, 2023 and 2022. Total interest expense related to loans payable amounted to ₱2.20 million, nil and ₱2.29 million in 2023, 2022 and 2021, respectively.

15. **Lease Commitments**

Lease Agreements

Group as a lessee

The Group has lease contracts for various office spaces, clinic spaces, transportation equipment, and land. The lease terms of these lease contracts are ranging from 2 years to 25 years. The renewals of these leases are subject to the mutual agreement of the parties. Lease payments are fixed.

The Group also has certain leases of clinic space with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemption for these leases. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The following are the amounts recognized in consolidated statement of income:

	2023	2022	2021
Depreciation expense of right-of-use assets included in property, plant and equipment (Note 9)	**₱5,584**	₱8,829	₱8,631
Expenses related to short-term leases included in selling and general expenses (Note 23)	**45,299**	54,646	66,423
Expenses related to short-term leases included in cost of services (Note 22)	**6,578**	4,293	3,544
Interest expense on lease liabilities	**573**	1,102	1,596
Gain on rent concession (Note 26)	**–**	–	(585)
Total amount recognized in the consolidated statements of income	**₱58,034**	₱68,870	₱79,609

The rollforward analysis of lease liabilities follows:

	2023	2022
Balances at beginning of year	**₱12,107**	₱21,094
Additions	**2,052**	–
Interest expense	**573**	1,102
Termination	**–**	(621)
Payments of:		
Principal portion	**(5,828)**	(8,366)
Interest portion	**(573)**	(1,102)
Balances at the end of the year	**8,331**	12,107
Less noncurrent portion	**4,093**	5,798
Current portion	**₱4,238**	₱6,309

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

	2023	2022
Lease payments due in:		
Less than one year	**₱3,717**	₱5,376
Between one to two years	**2,269**	2,383
Between two to three years	**1,793**	1,789
Between three to four years	**1,281**	1,313
More than five years	**1,376**	1,977

Non-cancellable lease agreements pertain to the Parent's lease of land in Itogon, Benguet for the easement and right of way agreement over the land which the Parent Company needs for its existing water pipelines, and other future installation it may deem desirable for its operations.

Group as a lessor
The Group rented its condominium units under investment properties condominium units as office spaces. The Group has entered into lease contracts, which typically have a lease term of one (1) year. The lease agreements are renewable upon mutual agreement between the Group and its lessees. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

Rent income from these leases amounted to ₱0.87 million, ₱0.88 million and ₱0.73 million in 2023, 2022 and 2021, respectively (Note 20).

Future minimum rentals receivable under non-cancellable operating leases as at December 31, 2023 and 2022 are as follows:

	2023	2022
Within one year	**₱170**	₱759
More than one year to two years	–	170

16. Liability for Mine Rehabilitation

Movements in this account are as follows:

	2023	2022
Balances at beginning of year	**₱59,056**	₱60,747
Actual rehabilitation costs	**(6,990)**	–
Change in estimate:		
Recognized as adjustment to the mine rehabilitation asset (Note 9)	**(4,940)**	(20,295)
Recognized in consolidated statement of income (Note 26)	**12,826**	16,858
Accretion (Note 26)	**2,178**	1,746
Balances at end of year	**62,130**	59,056
Less noncurrent portion	**44,347**	48,568
Current portion	**₱17,783**	₱10,488

This provision is based on the Group's estimates. Assumptions based on the current economic environment have been made, which management believes are reasonable bases upon which to estimate the future liability.

In 2022, the revised Antamok Final Mine Rehabilitation and Decommissioning Plan (FMRDP) was endorsed by the MGB-CAR to the Contingent Liability and Rehabilitation Fund Steering Committee (CLRFSC) for approval based on new development, particularly on the actual rehabilitation needs considering the current physical status and condition of the area. The total cost to be incurred over a 4-year period of rehabilitation was reduced from ₱43 million to ₱30 million. The aim of the FMRDP is principally to mitigate environmental risks and provide a sustainable final land use over the area. It includes long-term programs including Minahang Bayan. The Parent Company implemented various activities such as continuous propagation of various seedlings in nurseries and maintenance of its established reforestation areas. During 2023, the Parent Company's additional activities included progressive rehabilitation of waste dumps and other areas of the mine.

The final 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 and changes in inflation rates (3.03% in 2023 and 4.34% in 2022) and changes in discount rates (5.43% in 2023 and 4.07% 2022).

These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation. As a result, there could be significant adjustments to the provision established that could affect future financial results.

The provision at the end of each reporting period represents management best estimate of the present value of the future rehabilitation cost required. This estimate is reviewed regularly to take into account any material changes in the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary decommissioning works required, which will reflect market conditions at the relevant time. The timing of rehabilitation is likely to depend on when the mine ceases to produce at economically viable rates. This, in turn, will depend upon future gold and nickel prices, which are inherently uncertain.

17. Other Noncurrent Liabilities

	2023	2022
Contract liabilities (Note 13)	**₱104,596**	₱156,678
Equity of claimowners in contract operations	**49,136**	49,136
Deposits for future stock subscription	**32,000**	32,000
	₱185,732	₱237,814

Contract liabilities of BRMC may be settled through future nickel ore shipments to its customers. The current portion of the said advances is presented as part of trade and other payables.

Nickel Off-take Agreements and other advances
On April 11, 2014, BRMC entered into an off-take agreement with a Korean trading company for a total amount of US$6.00 million in exchange for future shipments. The advances under the said offtake agreement are noninterest-bearing and will be settled through deductions from the selling price of every shipment.

As at December 31, 2023 and 2022, the US$ denominated portion of the advances amounted to US$1.54 million (₱85.27 million) and US$2.47 million (₱137.87 million), respectively, while the rest of advances are denominated in peso.

Equity of claim owners in contract operations pertain to the outstanding equity of CMI, gross of advances. Discussions on the settlement of said liability are still on-going as at March 22, 2024.

As at December 31, 2023 and 2022, deposit for future stock subscriptions received by BLI from Almega Management and Investment, Inc., a third party, amounted to ₱32.00 million. The related increase in authorized capital stock of BLI has been approved by BLI's BOD and majority of its stockholders on March 16, 2016. As of March 22, 2024, BLI has yet to submit its application for increase in authorized capital stock with the Philippine SEC.

18. Equity

Capital stock as at December 31, 2023 and 2022 follows:

	2023		2022	
	No. of shares	**Amount**	No. of shares	Amount
Authorized				
Convertible Preferred				
Class A – ₱3.43 par value	**19,652,912**	**₱67,500**	19,652,912	₱67,500
Common Class A – ₱1 par value	**430,380,000**	**430,380**	430,380,000	430,380
Common Class B – ₱1 par value	**286,920,000**	**286,920**	286,920,000	286,920
	736,952,912	**₱784,800**	736,952,912	₱784,800
Issued				
Convertible Preferred Class "A"	**217,061**	**₱745**	217,061	₱745
Common Class "A"	**375,430,802**	**375,431**	375,307,052	375,307
Common Class "B"	**248,101,396**	**248,101**	247,963,396	247,963
Total shares issued and subscribed	**623,749,259**	**₱624,277**	623,487,509	₱624,015
Treasury Shares				
Common Class "A"	**310,794**	**₱7,158**	310,794	₱7,158
Common Class "B"	**37,275**	**858**	37,275	858
Total treasury shares	**348,069**	**₱8,016**	348,069	₱8,016
Outstanding				
Convertible Preferred Class "A"	**217,061**	**₱745**	217,061	₱745
Common Class "A"	**375,120,008**	**368,273**	374,996,258	368,149
Common Class "B"	**248,064,121**	**247,243**	247,926,121	247,105
Total outstanding shares	**623,401,190**	**₱616,261**	623,139,440	₱615,999

The amount of unrestricted retained earnings equivalent to the cost of the treasury shares being held shall be restricted from being declared and issued as dividends.

No movement in the Parent Company's authorized and treasury shares in 2023 and 2022. The movement in the Parent Company's issued shares in 2023 and 2022 are as follows:

	2023		
	Balance at beginning of year	**Issuance of shares for stock options exercised** (Note 19)	**Balance at end of year**
Convertible Preferred Class "A"	**217,061**	–	**217,061**
Common Class "A"	**375,307,052**	**123,750**	**375,430,802**
Common Class "B"	**247,963,396**	**138,000**	**248,101,396**
	623,487,509	**261,750**	**623,749,259**

	2022		
	Balance at beginning of year	Issuance of shares for stock options exercised (Note 19)	Balance at end of year
Convertible Preferred Class “A”	217,061	–	217,061
Common Class “A”	375,307,052	–	375,307,052
Common Class “B”	247,963,396	–	247,963,396
	623,487,509	–	623,487,509

	2021		
	Balance at beginning of year	Issuance of shares for stock options exercised (Note 19)	Balance at end of year
Convertible Preferred Class “A”	217,061	–	217,061
Common Class “A”	371,220,254	4,086,798	375,307,052
Common Class “B”	245,250,197	2,713,199	247,963,396
	616,687,512	6,799,997	623,487,509

The two classes of common shares of the Parent Company are identical in all respects, except that ownership of Common Class A is restricted to Philippine nationals.

The convertible preferred shares are limited to Philippine nationals and convertible into Common Class A shares at a conversion premium of ₱13.42 per share. Each preferred share is convertible into nine (9) Common Class A shares. The convertible preferred shares are also entitled to have one vote for each full share of Common Class A stock into which such share of convertible preferred stock is, at any stockholders’ meeting, then convertible. It does not enjoy the same dividend right as the two classes of common stock but is entitled to a fixed cumulative dividend of 8% a year if there is surplus profit and when declared by the BOD.

On March 21, 2018, the BOD approved the increase in the Parent Company’s authorized capital stock from ₱717.30 million (consisting of 430,380,000 Common Class A shares and 286,920,000 Common Class B shares, both having a par value of ₱1.00 each) to ₱762.30 million (consisting of 475,380,000 Common Class A shares and 286,920,000 Common Class B shares, both having a par value of ₱1.00 each). After the amendment, the total authorized capital stock of the Parent Company will increase from ₱784.80 million to ₱829.80 million.

The application for the increase was approved by the stockholders during the annual meeting held on November 8, 2018. As at March 22, 2024, the Parent Company has not yet filed the application for the increase in authorized capital stock with the Philippine SEC.

In 2021, the Parent Company issued 4,086,798 Common Class A shares and 2,713,199 Common Class B shares as a result of employees’ exercise of stock options at a total consideration of ₱9.81 million; ₱1.37 million of which were from 431,198 Common Class A shares and from 334,176 Common Class B at an average selling price of ₱1.80 per share and ₱8.45 million from 3,655,600 Common Class A shares and 2,379,023 Common Class B shares at an average exercise price of ₱1.41 per share. As at December 31, 2021, total shares issued and outstanding for Common Class A and B shares are 374,996,258 and 247,926,121 respectively.

In 2023, the Parent Company issued 123,750 Common Class A shares and 138,000 Common Class B shares as a result of employees’ exercise of stock options at a total consideration of ₱0.27 million, net of lodging fee of ₱0.10 million, ₱0.17 million of which was from 123,750 Common Class A shares at an average selling price of ₱1.38 per share and ₱0.20 million from 138,000 Common Class B at an average selling price of ₱1.43. As at December 31, 2023, total shares issued and outstanding for Common Class A and B shares are 375,120,008 and 248,064,121, respectively.

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

Date of Registration (SEC Approval)	Description	Number of shares	Par value per share	Total amount (in 000's)
June 18, 1956	Capital upon registration:			
	Common shares	18,000,000	₱1.00	₱18,000
November 25, 1960	Increase in number and par value of common shares:			
	Common shares	20,000,000	2.00	40,000
November 9, 1964	Increase in par value of common shares:			
	Common shares	20,000,000	3.00	60,000
October 22, 1968	Increase in number of common shares and introduction of preferred shares:			
	Common shares	50,000,000	3.00	150,000
	Preferred shares	6,000,000	5.00	30,000
March 12, 1974	Split of common share into two classes and change in number and par value and addition of conversion feature to the preferred shares:			
	Common class A	30,000,000	3.00	90,000
	Common class B	20,000,000	3.00	60,000
	Convertible preferred shares	19,652,912	3.43	67,500
July 27, 1989	Increase in number of common shares			
	Common class A	120,000,000	3.00	360,000
	Common class B	80,000,000	3.00	240,000
	Convertible preferred shares	19,652,912	3.43	67,500
September 28, 2015	Increase in number of common shares			
	Common class A	143,460,000	3.00	430,380
	Common class B	95,640,000	3.00	286,920
	Convertible preferred shares	19,652,912	3.43	67,500
July 29, 2016	Increase in number of common shares and reduction in par value			
	Common class A	430,380,000	1.00	430,380
	Common class B	286,920,000	1.00	286,920
	Convertible preferred shares	19,652,912	3.43	67,500
As at December 31, 2023	**Common class A**	**430,380,000**	**₱1.00**	**₱430,380**
	Common class B	**286,920,000**	**1.00**	**286,920**
	Convertible preferred shares	**19,652,912**	**3.43**	**67,500**

As at December 31, 2023 and 2022, the Parent Company has 16,870 and 16,896 stockholders, respectively.

As at December 31, 2023 and 2022, the Parent Company has 348,069 shares held in treasury amounting to ₱8.02 million at ₱23 per share

Other Components of Equity

	2023	2022
Revaluation increment on land and artworks	**₱1,362,051**	₱1,325,985
Cumulative translation adjustments of foreign subsidiaries	**41,064**	41,400
Remeasurement gain on pension liability (Note 29)	**15,908**	17,633
Unrealized gain on financial assets at FVOCI (Note 12)	**371**	328
Unrealized gain on intangible asset	**108**	108
	₱1,419,502	₱1,385,454

19. Stock Option Plan

Under the 1975 Nonqualified Stock Option Plan (Plan), as amended, 9,906,661 shares of the unissued common stock of the Parent Company have been reserved for stock options to selected managers, directors and consultants of the Parent Company. The option price is payable on exercise date and should not be less than the fair market value of the shares quoted on the date of the grant. The Plan, valid up to May 31, 1998, allows a maximum of 632,500 shares to be available to any one optionee. On May 26, 1998, the BOD and the stockholders approved the extension of the Plan until May 31, 2003, which was extended further on December 18, 2002 with the BOD and the stockholders' approval until May 31, 2008. On December 18, 2007, the BOD and the stockholders approved a further extension of the Plan until May 31, 2013.

On March 23, 2012, the BOD and the stockholders approved the proposed amendments to the existing Amended Stock Option Plan and to extend the termination date of the existing Plan for five years or until May 31, 2018.

The amendments include an increase in the maximum award per employee from 200,000 shares over the life of the plan to 500,000 shares per grant and an increase in the shares reserved for issuance under the Plan from the total of 9,906,661 shares to 22,000,000 shares.

Options granted to Filipino optionees are exercisable in the form of 60% Common Class A and 40% Common Class B shares. Options for Common Class B shares may be exercised only if Common Class A shares had been previously or simultaneously exercised so as to maintain a minimum 60:40 ratio of Common Class A to Common Class B shares.

The options under the Plan are non-transferable and are exercisable to the extent of 30% after one year from the date of the grant, 60% after two years from the date of the grant, and 100% after three years from the date of grant. The options authorized under this plan is exercisable for a period of 10 years from the date of grant.

On November 8, 2018, the BOD and the stockholders approved the proposed amendment to the existing Amended Stock Option Plan to extend the termination date of the existing Plan for five years or until May 31, 2023.

On August 24, 2022, the BOD approved the proposed amendment to the existing Amended Stock Option Plan to extend the termination date of the existing Plan for eight (8) years or until May 31, 2031, which the stockholders ratified on November 9, 2022.

On March 17, 2017, upon endorsement of the Stock Option Committee, the BOD approved a new stock option grant to the Group's qualified directors, officer, employees and consultant, provided they have rendered at least two years of service as of March 11, 2017. Total number of common shares available for distribution under the plan is 8,414,375 shares at an exercise price of ₱1.38 and ₱1.43 for Class "A" and Class "B" shares, respectively.

On March 18, 2021, upon endorsement of the Stock Option Committee, the BOD approved a new stock option grant to the Group's officer, employees and consultant and to all members of the BOD, provided they have rendered at least two years of service as of March 15, 2021. Total number of common shares available for distribution under the plan is 3,003,612 shares at an exercise price of ₱2.19 and ₱2.05 for Class "A" and Class "B" shares, respectively.

Exercisable share options per grant are as follows:

		Exercisable share options as at January 1, 2023	Additions	Cancelled/ Expired in 2023	Exercised in 2023	Exercisable share options as at December 31, 2023
Class A	- May 2014 Grant	**648,000**	**–**	**–**	**–**	**648,000**
	- March 2017 Grant	**476,225**	**–**	**–**	**(123,750)**	**352,475**
	- March 2021 Grant	**540,654**	**540,654**	**–**	**–**	**1,081,308**
Class B	- May 2014 Grant	**432,000**	**–**	**–**	**–**	**432,000**
	- March 2017 Grant	**375,527**	**–**	**–**	**(138,000)**	**237,527**
	- March 2021 Grant	**360,430**	**360,430**	**–**	**–**	**720,860**
Total		**2,832,836**	**901,084**	**–**	**(261,750)**	**3,472,170**

		Exercisable share options as at January 1, 2022	Additions	Cancelled/ Expired in 2022	Exercised in 2022	Exercisable share options as at December 31, 2022
Class A	- September 2012 Grant	306,000	–	(306,000)	–	–
	- May 2014 Grant	648,000	–	–	–	648,000
	- March 2017 Grant	893,675	–	(417,450)	–	476,225
	- March 2021 Grant	–	540,654	–	–	540,654
Class B	- September 2012 Grant	204,000	–	(204,000)	–	–
	- May 2014 Grant	432,000	–	–	–	432,000
	- March 2017 Grant	653,827	–	(278,300)	–	375,527
	- March 2021 Grant	–	360,430	–	–	360,430
Total		3,137,502	901,084	(1,205,750)	–	2,832,836

On August 31, 2016, the Parent Company's BOD approved the following amendments to the Plan due to the effect of the share split on July 29, 2016:

- change in the exercise price of outstanding options
- change in the maximum number of shares per grant from 500,000 to 1,500,000
- repricing of the unexercised share options brought about by the low turn-out in the availment of the grant due to high exercise price compared to market price. The repricing was based on the closing price on August 18, 2016 of Class A and Class B common shares amounting to ₱2.25 and ₱2.55, respectively, less 25% discount pursuant to the provisions of the amended stock option plan of the Parent Company.
- change in the shares reserved issuance under the Plan from 22,000,000 shares to 66,000,000 shares.

The exercise prices of outstanding options consider the effect of the stock split and the change in exercise prices, are as follows:

		At grant date	After effect of stock split	As modified
Class A	- September 2012 Grant	₱17.96	₱5.99	₱1.69
	- May 2014 Grant	7.13	2.38	1.69
	- March 2017 Grant	1.38		
	- March 2021 Grant	2.19		
Class B	- September 2012 Grant	17.63	5.88	1.91
	- May 2014 Grant	7.13	2.38	1.91
	- March 2017 Grant	1.43		
	- March 2021 Grant	2.05		

Average exercise price per share in 2023 and 2022 amounted to ₱1.90 and ₱1.78, respectively. Total number of shares available for future option grants is 39,989,864 shares as at December 31, 2023 and 2022.

Stock option expense relating to the Plan recognized amounted to ₱2.26 million in 2023 and 2022, and ₱13.78 million in 2021 (see Note 24).

A summary of the number of shares under the Plan is shown below:

	2023	2022
Outstanding at beginning of year	**4,935,364**	6,141,114
Cancellation/Expiration	–	(1,207,750)
Exercised during the year	**(261,750)**	–
Outstanding at end of year	**4,673,614**	4,933,364
Exercisable at end of year	**3,472,170**	2,832,836

The Parent Company used the binomial options pricing model to determine the fair value of the stock options.

The following assumptions were used to determine the fair value of the stock options:

		Share price	Exercise price	Expected volatility increase (decrease)y	Option life	Expected Dividends	Risk-free Interest rate
Sep 9, 2012 Grant	A	23.95	17.96	57.35%	10 years	0.00%	4.80%
	B	23.50	17.63	65.53%	10 years	0.00%	4.80%
May 26, 2014 Grant	A	9.50	7.13	77.28%	10 years	0.00%	3.90%
	B	9.50	7.13	84.29%	10 years	0.00%	3.90%
May 17, 2017 Grant	A	1.77	1.38	95.46%	10 years	0.00%	5.09%
	B	1.83	1.43	101.96%	10 years	0.00%	5.09%
May 18, 2021 Grant	A	2.60	2.19	(106.57%)	10 years	0.00%	4.44%
	B	2.94	2.05	92.75%	10 years	0.00%	4.44%

The expected volatility measured at the standard deviation of expected share price returns was based on the analysis of share prices for the past 365 days. The cost of share-based payment amounted to ₱8.10 million and ₱6.28 million as at December 31, 2023 and 2022, respectively.

20. **Revenue**

	2023	2022	2021
Revenue from contracts with customers:			
Sale of mine products	**₱2,481,560**	₱3,967,002	₱3,787,403
Sale of goods and services	**47,128**	55,470	53,756
Sale of land	**1,800**	1,844	–
Total revenue from contracts with customers	**2,530,488**	4,024,316	3,841,159
Rental income (Note 15)	**870**	879	729
	₱2,531,358	₱4,025,195	₱3,841,888

Sale of mine products includes sales of nickel, gold, silver and lime, which are subject to 4% excise tax based on gross revenues in 2023, 2022 and 2021.

As a requirement under DAO No. 2010-21, 'The Mining Act Implementing Rules and Regulations', BRMC pays royalty to the MGB for every shipment of nickel ore equivalent to 5% of the peso equivalent of the nickel ore shipped since the SCNP is within a Mineral Reservation.

Excise taxes and royalty fees related to the sale of mine products amounted to ₱182.43 million, ₱299.75 million and ₱284.28 million in 2023, 2022 and 2021, respectively.

Set out below is the disaggregation of the Group’s revenue from contracts with customers in 2023, 2022 and 2021:

	2023		
Segments	**Mining**	**Health Services**	**Total**
Type of product:			
Nickel	**₱1,757,578**	**₱–**	**₱1,757,578**
Gold	**623,399**	**–**	**623,399**
Lime	**96,516**	**–**	**96,516**
Silver	**4,067**	**–**	**4,067**
Health services	**–**	**47,128**	**47,128**
Land	**1,800**	**–**	**1,800**
Total revenue from contracts with customers	**₱2,483,360**	**₱47,128**	**₱2,530,488**
Location of customer:			
Within the Philippines	**₱725,782**	**₱47,128**	**₱772,910**
Outside the Philippines	**1,757,578**	**–**	**1,757,578**
Total revenue from contracts with customers	**₱2,483,360**	**₱47,128**	**₱2,530,488**
Timing of revenue recognition:			
Transferred at a point in time	**₱2,483,360**	**₱–**	**₱2,483,360**
Transferred overtime	**–**	**47,128**	**47,128**
Total revenue from contracts with customers	**₱2,483,360**	**₱47,128**	**₱2,530,488**

	2022		
Segments	Mining	Health Services	Total
Type of product:			
Nickel	₱2,952,272	₱–	₱2,952,272
Gold	911,594	–	911,594
Lime	99,976	–	99,976
Silver	3,160	–	3,160
Health services	–	55,470	55,470
Land	1,844	–	1,844
Total revenue from contracts with customers	₱3,968,846	₱55,470	₱4,024,316
Location of customer:			
Within the Philippines	₱1,016,574	₱55,470	₱1,072,044
Outside the Philippines	2,952,272	–	2,952,272
Total revenue from contracts with customers	₱3,968,846	₱55,470	₱4,024,316
Timing of revenue recognition:			
Transferred at a point in time	₱3,968,846	₱–	₱3,968,846
Transferred overtime	–	55,470	55,470
Total revenue from contracts with customers	₱3,968,846	₱55,470	₱4,024,316

Segments	2021 Mining	Health Services	Total
Type of product:			
Gold	₱942,427	₱–	₱942,427
Nickel	2,766,477	–	2,766,477
Lime	75,149	–	75,149
Silver	3,350	–	3,350
Health services	–	53,756	53,756
Total revenue from contracts with customers	₱3,787,403	₱53,756	₱3,841,159
Location of customer:			
Within the Philippines	₱1,020,926	₱53,756	₱1,074,682
Outside the Philippines	2,766,477	–	2,766,477
Total revenue from contracts with customers	₱3,787,403	₱53,756	₱3,841,159
Timing of revenue recognition:			
Transferred at a point in time	₱3,787,403	₱–	₱3,787,403
Transferred overtime	–	53,756	53,756
Total revenue from contracts with customers	₱3,787,403	₱53,756	₱3,841,159

21. **Costs of Mine Products Sold**

	2023	2022	2021
Outside services	**₱255,347**	₱302,738	₱293,183
Materials and supplies (Note 6)	**144,396**	219,320	154,524
Contractor fees	**109,262**	101,447	175,094
Personnel expenses (Note 24)	**94,647**	86,100	99,398
Power, rent and utilities	**58,365**	107,092	62,700
Depreciation and depletion (Note 25)	**28,410**	54,440	97,372
Taxes and licenses	**22,316**	28,315	30,186
Repairs and maintenance	**19,007**	32,370	25,673
Contractor labor	**13,583**	23,241	13,791
Smelting, refining and marketing	**4,858**	7,154	7,651
Travel and transportation	**212**	200	172
Others	**2,197**	2,882	2,500
	752,600	965,299	962,244
Net change in beneficiated nickel ore (Note 6)	**(72,129)**	5,089	(40,559)
	₱680,471	₱970,388	₱921,685

Outside services pertain to the amounts paid to consultants involved in the mining operations of the Group.

Other expenses consist of various direct charges to cost of mine products, which are individually insignificant.

22. Cost of Services and Other Sales

	2023	2022	2021
Personnel expenses (Note 24)	**₱20,819**	₱19,604	₱26,092
Materials and supplies (Note 6)	**20,671**	19,259	17,622
Depreciation and depletion (Note 25)	**13,711**	8,534	6,381
Retainers and consultancy fees	**10,963**	15,458	13,898
Outside services	**6,899**	9,648	4,517
Rent (Note 15)	**6,578**	4,293	3,544
Travel and transportation	**1,242**	977	429
Professional fees	**1,100**	1,595	1,258
Cost of real estate sold	**387**	387	–
Taxes and licenses	**303**	159	139
Repairs and maintenance	**232**	136	251
Others	**1,151**	108	711
	₱84,056	₱80,158	₱74,842

Others consist of various direct charges, which are individually insignificant.

23. Selling and General Expenses

	2023	2022	2021
Outside services	**₱440,555**	₱572,927	₱523,733
Personnel expenses (Note 24)	**141,154**	136,625	156,244
Community development programs	**54,477**	53,193	29,480
Rent (Note 15)	**45,299**	54,646	66,423
Materials and supplies (Note 6)	**40,885**	44,729	38,684
Taxes and licenses	**31,199**	26,391	27,272
Repairs and maintenance	**23,098**	17,173	6,362
Professional fees	**20,432**	35,218	13,239
Wharfage fees	**19,795**	10,770	11,068
Representation	**17,287**	19,818	8,238
Depreciation and depletion (Note 25)	**13,509**	18,240	44,461
Communication, light and power	**10,113**	15,075	8,369
Transportation and travel	**8,698**	5,592	2,961
Loss on disallowed input VAT (Note 8)	**7,946**	–	–
Insurance	**3,225**	4,173	1,551
Subscription and membership fees	**2,907**	2,907	2,784
Penalties	**1,431**	–	–
Freight and handling	**1,111**	3,959	3,631
Provision of allowance for ECLs – net (Note 5)	**924**	–	–
Provision for impairment on input VAT (Note 8)	**5**	–	–
Contract labor	**–**	63	–
Others	**21,965**	57,043	47,781
	₱906,015	₱1,078,542	₱992,281

Others consist of various administrative expenses, which are individually insignificant.

24. **Personnel Expenses**

	2023	2022	2021
Salaries and wages	**₱220,612**	₱184,810	₱209,608
Pension expense (Note 29)	**12,929**	14,247	13,280
Benefits and allowances	**20,819**	41,014	45,068
Stock option expense (Note 19)	**2,260**	2,258	13,778
	₱256,620	₱242,329	₱281,734

Total personnel expenses were distributed as follows:

	2023	2022	2021
Cost of mine products sold (Note 21)	**₱94,647**	₱86,100	₱99,398
Cost of services and other sales (Note 22)	**20,819**	19,604	26,092
Selling and general expenses (Note 23)	**141,154**	136,625	156,244
	₱256,620	₱242,329	₱281,734

25. **Depreciation and Depletion**

Total depreciation and depletion are composed of the following (see Notes 6 and 9):

	2023	2022	2021
Depreciation	**₱29,707**	₱39,498	₱74,613
Depletion	**25,923**	41,762	73,601
	₱55,630	₱81,260	₱148,214

Depreciation and depletion are broken down as follows:

	2023	2022	2021
Cost of mine products sold (Note 21)	**₱28,410**	₱54,440	₱97,372
Cost of services and other sales (Note 22)	**13,711**	8,534	6,381
Selling and general expenses (Note 23)	**13,509**	18,240	44,461
Gold button inventory (Note 6)	**–**	46	–
	₱55,630	₱81,260	₱148,214

26. **Other Income (Charges) – net**

	2023	2022	2021
Change in fair value of financial assets at FVPL (Note 7)	**₱51,893**	₱18,213	₱2,389
Gains (losses) on:			
Foreign currency exchange	**8,061**	39,676	(9,564)
Disposal of intangible asset (Note 12)	**150**	–	–
Revaluation of investment properties (Note 11)	**(136)**	85,332	276,986
Disposal of property, plant and equipment (Note 9)	**105**	157	–

(Forward)

	2023	2022	2021
Write-off of CIP (Note 9)	**₱–**	(₱11,395)	₱–
Sale of investment properties (Note 11)	–	619	–
Rent concession (Note 15)	–	–	585
Change in estimate of liability for mine rehabilitation (Note 16)	**(12,826)**	(16,858)	6,872
Interest income (Notes 4, 5, 8 and 12)	**10,592**	2,089	3,293
Accretion on the liability for mine rehabilitation (Note 16)	**(2,178)**	(1,746)	(2,453)
Recovery of impairment on loss on advances to contractors (Note 8)	–	39,253	–
Recovery of provision for inventory obsolescence (Note 6)	–	18,888	–
Loss on disallowed input VAT (Note 8)	–	(12,687)	(7,380)
Recoveries of allowance for ECLs – net (Note 5)	–	6,659	–
Provision for impairment on other noncurrent assetsnet (Note 12)	–	(938)	(18,397)
Write-off of deferred mine exploration costs (Note 10)	–	–	(16,511)
Provision for impairment of CWTs (Note 8)	–	–	(9,483)
Others – net	**1,333**	(3,248)	2,754
	₱56,994	₱164,014	₱229,091

Others consist of various income and expenses, which are not directly related to the operations of the Group.

27. ESOIP

The ESOIP, as approved by the stockholders in 1986, allows employees of the Parent Company to buy up to 6,000,000 shares of the Common Class A shares of the Parent Company at either of two prices. If the shares are acquired by the Parent Company from a seller or are treasury shares, these can be bought at acquisition cost. If the shares are sourced from the authorized but unissued shares of the Parent Company, these can be bought at the average closing price quoted in the PSE on the last day that such shares were traded prior to the start of the purchase period. Payment for the shares purchased shall be advanced by the Parent Company on behalf of the employees and repaid through salary deduction without interest. The shares acquired by employees under the ESOIP may be subjected to a holding period from the date of purchase.

In January 1990, the BOD approved the Employees Stock Purchase Plan, which allows the employees of the Parent Company (but excluding directors of the Parent Company) to buy, basically under similar terms and conditions as that of the ESOIP, 2,000,000 shares of the Common Class A shares of the Parent Company.

The balance of the employees' stock ownership pursuant to the said plan shown as part of the trade and other receivables in the consolidated statements of financial position amounted to ₱58.42 million as at December 31, 2023 and 2022 and was provided an allowance for the same amount (see Note 5).

28. Related Party Disclosure

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

The Group's related party transactions which are, individually or in aggregate over a 12-month period, 10% and above of the latest audited consolidated total assets are reviewed and evaluated by the Related Party Transaction Committee and Management Committee. Afterwards, these are approved by at least two-thirds (2/3) vote of the BOD, with at least a majority of the independent directors voting to approve the material related party transaction. In case that a majority of the independent directors' vote is not secured, the material related party transaction may be ratified by the majority vote of the shareholders, or two-thirds (2/3) of the outstanding capital stock.

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

Compensation of Key Management Personnel of the Group
The Group considered all senior officers as key management personnel. Below are the details of compensation of the Group's key management personnel.

	2023	2022	2021
Short-term benefits	**₱39,869**	₱38,730	₱19,025
Post-employment benefits	**12,297**	16,638	5,323
	₱52,166	₱55,368	₱24,348

Short-term benefits include salaries and stock compensation expense. Post-employment benefits include net pension expense.

29. Pension Benefits Plans

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

The Group noncontributory pension benefit plan covering substantially all of their regular employees. The benefits are based on a certain percentage of the final monthly basic salary for every year of credited service of the employees in accordance with RA 7641. The defined pension benefit obligation is determined using the projected unit credit method.

The following tables summarize the components of net pension benefit in the consolidated statements of income and fund status, and the amounts recognized in the consolidated statements of financial position.

The component of pension expense is as follows:

	2023	2022	2021
Current service cost	**₱10,667**	₱10,597	₱10,275
Net interest cost	**2,262**	3,650	3,005
Pension expense	**₱12,929**	₱14,247	₱13,280

Pension liability as at December 31, 2023 and 2022 are as follows:

	2023	2022
Present value of defined benefit obligation	**₱114,701**	₱102,004
Fair value of plan assets	**(56,507)**	(45,989)
Pension liability	**₱58,194**	₱56,015

Movements of remeasurement gain on pension liability recognized in OCI:

	2023	2022	2021
Balances at beginning of year	**₱17,633**	₱10,673	₱9,590
Loss (gain) on remeasurement of pension liability	**(2,300)**	9,571	1,143
Tax effect	**575**	(2,611)	(60)
Remeasurement loss (gain) on pension liability - net of tax	**(1,725)**	6,960	1,083
Balances at end of year	**₱15,908**	₱17,633	₱10,673

Changes in the present value of defined benefits obligation are as follow:

	2023	2022
Balances at beginning of year	**₱102,004**	₱99,034
Interest cost	**1,040**	4,929
Current service cost	**12,355**	10,597
Actuarial losses (gains)	**2,353**	(10,544)
Benefits paid	**(3,051)**	(2,012)
Balances at end of year	**₱114,701**	₱102,004

Breakdown of actuarial gains (losses) on defined benefits obligation are as follows:

	2023	2022
Change in financial assumptions	**(₱10,414)**	₱13,180
Experience adjustments	**8,061**	(2,636)
	(₱2,353)	₱10,544

Fair value of plan assets of the Group follows:

	2023	2022
Balances at beginning of year	**₱45,989**	₱25,683
Contribution	**10,000**	20,000
Remeasurement loss (gain)	**52**	(973)
Asset return in net interest cost	**466**	1,279
Balances at end of year	**₱56,507**	₱45,989

The Parent Company, BRMC and BLI's plan assets are being managed by a trustee bank. The retirement fund includes cash in bank only as at December 31, 2023 and 2022. The Parent Company, BRMC and BLI has no transactions with its retirement fund and the retirement fund has no investments in shares of stocks of the Parent Company.

The Group expects to contribute ₱24.58 million to the defined benefits retirement plan in 2024.

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31, 2023 and 2022:

Plan Year	**2023**	2022
Less than 1 year	**₱77,668**	₱51,702
More than 1 year to 5 years	**14,321**	39,298
More than 5 years to 10 years	**27,143**	16,788
More than 10 years to 15 years	**52,333**	45,820
More than 15 years to 20 years	**124,323**	129,017
More than 20 years	**735,633**	652,774
	₱1,031,421	₱935,399

The overall expected rate of return on assets is determined based on the market prices prevailing on the date applicable to the period over which the obligation is to be settled. The average duration of the defined benefit obligations of the Group is 8-22 years in 2023 and 13-19 years in 2022.

The principal assumptions used in determining the pension liability of the Group's plans are shown below.

	2023	2022
Discount rate	**5.98% to 6.07%**	6.96% to 7.08%
Salary increase rate	**5.00% to 11.00%**	5.00% to 11.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the pension liability as at the end of the reporting period, assuming if all other assumptions were held constant:

		December 31, 2023
	Increase (decrease)	**Present value of the defined benefit obligation**
Discount rates	**6.98% to 7.07% (+1.00%)**	**₱108,823**
	5.98% to 6.07% (actual)	**114,701**
	4.98% to 5.07% (-1.00%)	**121,776**
Salary increase rate	**6.00% to 12.00% (+1.00%)**	**₱121,441**
	5.00% to 11.00% (actual)	**114,701**
	4.00% to 10.00% (-1.00%)	**109,002**

		December 31, 2022
	Increase (decrease)	Present value of the defined benefit obligation
Discount rates	8.06% to 7.96% (+1.00%)	₱97,261
	7.08% to 6.96% (actual)	102,006
	6.08% to 5.96% (-1.00%)	107,665
Salary increase rate	6.00% to 12.00% (+1.00%)	₱107,613
	5.00% to 11.00% (actual)	102,006
	4.00% to 10.00% (-1.00%)	97,360

30. **Income Taxes**

The provision for current and deferred tax in 2023, 2022 and 2021 include the following:

	2023	2022	2021
Provision for current taxes:			
RCIT	**₱177,595**	₱413,073	₱364,195
MCIT	**130**	138	128
Effect of change in tax rate	**–**	–	(3,236)
	177,725	413,211	361,087
Provision for deferred taxes	**741**	15,014	11,310
Total	**₱178,466**	₱428,225	₱372,397

The components of the Group's deferred tax assets and liabilities are as follows:

	Deferred tax assets – net		Deferred tax liabilities - net	
	2023	2022	**2023**	2022
Deferred tax assets on:				
Allowance for impairment losses on:				
Inventories	**₱–**	₱2,942	**₱39,153**	₱39,153
Trade and other receivables	**9,005**	3,854	**16,140**	16,180
Other current assets	**2,371**	–	**–**	–
Unrealized foreign exchange loss	**1,426**	106	**–**	55
Share-based payment	**–**	–	**2,026**	–
Liability for mine rehabilitation	**5,762**	5,335	**9,768**	9,428
Lease liabilities	**608**	1,848	**1,318**	1,179
Amortization of past service cost	**882**	–	**1,229**	1,383
Pension liability	**1,504**	749	**13,882**	13,255
	21,558	14,834	**83,516**	80,633
Deferred tax liabilities on:				
Unrealized foreign exchange gain	**1,060**	683	**–**	37
Cumulative translation adjustment of foreign subsidiaries	**–**	–	**13,688**	13,800
Mine rehabilitation asset	**273**	2,454	**8,650**	10,264
Right-of-use assets	**555**	1,779	**1,169**	1,006
Cumulative fair value gain of financial assets at FVPL	**14,099**	–	**415**	–
Revaluation increment on property, plant and equipment	**–**	–	**825,212**	818,952
Revaluation increment on artworks	**–**	–	**10,249**	5,786
	15,987	4,916	**859,383**	849,845
Net deferred tax assets (liabilities)	**₱5,571**	₱9,918	**(₱775,867)**	(₱769,212)

The Group did not recognize deferred tax assets relating to the following temporary differences because management believes that it is more likely than not that the carry-forward benefits will not be realized in the near future:

	2023	2022	2021
Allowance for inventory loss, impairment loss and others	**₱353,194**	₱354,280	₱353,936
NOLCO	**56,316**	31,460	60,498
Accrued expenses	**8,002**	8,002	8,002
Lease liabilities	**627**	174	387
MCIT	**396**	345	226
Share-based payment	**–**	6,275	9,198
Straight-line amortization of accrued rent	**–**	–	251
	₱418,535	₱400,536	₱432,498

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

As of December 31, 2023, the Group has incurred NOLCO in taxable years 2021 and 2020 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act, as follows:

Year Incurred	Availment Period	Amount	NOLCO Expired	NOLCO Applied Current year	NOLCO Unapplied
2020	2021-2025	₱18,636	₱–	(₱3,189)	₱15,447
2021	2022-2026	4,515	–	–	4,515
		₱23,151	₱–	(₱3,189)	₱19,962

As of December 31, 2023, the Group has incurred NOLCO after taxable year 2021 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

Year Incurred	Availment Period	Amount	NOLCO Expired	NOLCO Applied Current year	NOLCO Unapplied
2022	2023-2025	₱8,309	₱–	₱–	₱8,309
2023	2024-2026	28,045	–	–	28,045
		₱36,354	₱–	₱–	₱36,354

As of December 31, 2023, the Group has MCIT that can be applied against payment of regular income tax as follows:

Year Incurred	Availment Period	Amount	MCIT Applied Previous Year/s	MCIT Expired	MCIT Applied Current year	MCIT Unapplied
2020	2021-2023	₱79	₱–	(₱79)	₱–	₱–
2021	2022-2024	128	–	–	–	128
2022	2023-2025	138	–	–	–	138
2023	2024-2026	130	–	–	–	130
		₱475	₱–	(₱79)	₱–	₱396

Movements of NOLCO are as follow:

	2023	2022	2021
Balances at beginning of year	**₱31,460**	₱60,498	₱115,655
Expirations	**–**	(37,347)	(18,974)
Additions	**28,045**	8,309	6,279
Application	**(3,189)**	–	(42,462)
Balances at end of year	**₱56,316**	₱31,460	₱60,498

Movements of MCIT are as follow:

	2023	2022	2021
Balances at beginning of year	**₱345**	₱226	₱15,007
Additions	**130**	138	128
Expirations	**(79)**	(19)	(142)
Effect of change in tax rate	**–**	–	(1,475)
Application	**–**	–	(13,292)
Balances at end of year	**₱396**	₱345	₱226

The reconciliation of pretax income computed at the statutory income tax rate to provision for income tax shown in the consolidated statements of income is as follows:

	2023	2022	2021
Tax computed at statutory rate	**₱183,152**	₱439,818	₱448,500
Add (deduct) effects of:			
Nontaxable income	**(14,781)**	(21,333)	(69,247)
Final tax on cumulative unrealized gain on financial assets at FVPL	**11,868**	–	–
Nondeductible expenses	**5,447**	18,153	94,654
Changes in unrecognized deferred tax assets	**(4,873)**	(17,247)	(62,746)
Interest income subject to final tax	**(1,629)**	(522)	(823)
Application of NOLCO	**(797)**	–	(10,616)
Expiration of MCIT	**79**	19	142
Expiration of NOLCO	**–**	9,337	4,744
Effect of change in tax rate	**–**	–	(18,919)
Application of MCIT	**–**	–	(13,292)
	₱178,466	₱428,225	₱372,397

31. Basic/Diluted EPS

Basic EPS is calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of common shares on issue during the year, excluding any ordinary shares purchased by the Parent Company and held as treasury shares.

In computing for the 2023 and 2022 diluted EPS, the Parent Company considered the effect of stock options outstanding since these are dilutive.

	2023	2022	2021
Net income	**₱554,143**	₱1,331,047	₱1,421,604
Current dividends on preference shares	**(60)**	(60)	(60)
Adjusted net income	**₱554,083**	₱1,330,987	₱1,421,544

Number of shares for computation of EPS as a result of stock split:

	2023	2022	2021
Basic EPS			
Weighted average common shares issued	**623,532,198**	623,270,448	620,919,986
Less: treasury shares	**348,069**	348,069	348,069
Weighted average common shares outstanding	**623,184,129**	622,922,379	620,571,917
Diluted EPS			
Weighted average common shares issued	**623,532,198**	623,270,448	620,919,986
Less: treasury shares	**348,069**	348,069	348,069
	623,184,129	622,922,379	620,571,917
Convertible preferred shares	**2,059,366**	2,059,366	2,059,366
Stock options	**3,472,170**	2,832,836	3,137,502
Weighted average common shares outstanding	**628,715,665**	627,814,581	625,768,785
Basic EPS	**₱0.89**	₱2.14	₱2.29
Diluted EPS	**₱0.88**	₱2.12	₱2.27

32. Segment Information

PFRS 8, *Operating Segments*, requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, who is the President of the Parent Company.

For management purposes, the Group is organized into business units based on its products and services and has four reportable segments, as follows:

- The mining segment is engaged in exploration, nickel and gold mining operations.
- The health services segment is engaged in the business of offering medical and clinical diagnostic examinations and health care services on pre-employment.
- The logistics segment is engaged in logistics services to the supply-chain requirements of various industries.
- The other segments comprise aggregated operating segments of the Group engaged in research, development, real estate and water projects.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating income or loss and is measured consistently with income or loss before income tax as reported in the consolidated financial statements.

Intersegment revenues are eliminated upon consolidation and reflected in the 'eliminations' column. All other adjustments and eliminations are presented in the table below.

Segment assets include operating assets used by a segment and consist principally of operating, trade and other receivables, inventories and property, plant and equipment, net of allowances and provisions. Segment liabilities include all operating liabilities and consist principally of trade and other payables, accrued expenses and bank loans. Segment assets and liabilities do not include deferred taxes.

Business Segments

Segment reporting is consistent in all periods presented as there are no changes in the structure of the Group's internal organization that will cause the composition of its reportable segment to change.

	2023						
	Mining	Health services	Logistics	Others	Total	Eliminations	Consolidated
Revenue							
External customers	₱2,481,560	₱47,128	₱–	₱2,670	₱2,531,358	₱–	₱2,531,358
Interest income	9,848	3	2	739	10,592	–	10,592
Inter-segment	–	–	156,295	3,276	159,571	(159,571)	–
Other income	698,969	2	12	80,961	779,944	(736,961)	42,983
	3,190,377	47,133	156,309	87,646	3,481,465	(896,532)	2,584,933
Cost and Expenses							
Interest expense	2,575	131	68	2	2,776	–	2,776
Direct costs	691,493	36,715	46,826	387	775,421	(53,015)	722,406
Selling and general expenses	1,095,738	4,840	8,598	6,114	1,115,290	(243,446)	871,844
Accretion expense	2,178	–	–	–	2,178	–	2,178
Impairment losses	843	–	–	80	923	–	923
Depreciation, depletion and amortization (Note 25)	106,403	1,865	13,609	1,826	123,703	(68,073)	55,630
Excise taxes and royalty fees (Note 20)	182,425	–	–	–	182,425	–	182,425
Other expenses	28,087	–	1,665	3,594	33,346	(19,204)	14,142
Income before tax	1,080,635	3,582	85,543	75,643	1,245,403	(512,794)	732,609
Provision for income tax	155,347	128	21,716	1,275	178,466	–	178,466
Net income	₱925,288	₱3,454	₱63,827	₱74,368	₱1,066,937	(₱512,794)	₱554,143
Operating assets	₱12,343,859	₱36,280	₱424,751	₱1,923,452	₱14,728,342	(₱4,396,294)	₱10,332,048
Operating liabilities	(₱1,795,417)	(₱62,713)	(₱279,160)	(₱871,614)	(₱3,008,904)	₱1,814,138	(₱1,194,766)
Other disclosure:							
Capital expenditure	₱71,900	₱137	₱24,526	₱–	₱96,563	₱–	₱96,563

	2022						
	Mining	Health services	Logistics	Others	Total	Eliminations	Consolidated
Revenue							
External customers	₱3,967,002	₱55,470	₱–	₱2,723	₱4,025,195	₱–	₱4,025,195
Interest income	1,631	3	2	453	2,089	–	2,089
Inter-segment	–	–	165,882	–	165,882	(165,882)	–
Other income	840,489	22	2,304	18,573	861,388	(640,740)	220,648
	4,809,122	55,495	168,188	21,749	5,054,554	(806,622)	4,247,932
Cost and Expenses							
Interest expense	1,102	–	–	–	1,102	–	1,102
Direct costs	952,312	40,254	31,032	386	1,023,984	(36,412)	987,572
Selling and general expenses	1,284,869	5,761	21,968	13,289	1,325,887	(265,581)	1,060,306
Accretion expense	1,746	–	–	–	1,746	–	1,746
Impairment losses		–	–	196	196	–	196
Depreciation, depletion and amortization (Note 25)	134,589	1,268	10,117	1,953	147,927	(66,667)	81,260
Excise taxes and royalty fees (Note 20)	299,747	–	–	–	299,747	–	299,747
Other expenses	44,938	24	10,714	1,042	56,718	13	56,731
Income before tax	2,089,819	8,188	94,357	4,883	2,197,247	(437,975)	1,759,272
Provision for income tax	397,985	138	29,008	1,094	428,225	–	428,225
Net income	₱1,691,834	₱8,050	₱65,349	₱3,789	₱1,769,022	(₱437,975)	1,331,047
Operating assets	₱12,333,382	₱37,461	₱490,483	₱1,409,636	₱14,270,962	(₱4,371,804)	₱9,899,158
Operating liabilities	(₱2,270,773)	(₱67,395)	(₱316,063)	(₱878,517)	(₱3,532,748)	₱2,169,150	(₱1,363,598)
Other disclosure:							
Capital expenditure	₱41,652	₱2,752	₱27,999	₱4,201	₱76,604	₱–	₱76,604

	2021						
	Mining	Health services	Logistics	Others	Total	Eliminations	Consolidated
Revenue							
External customers	₱3,787,403	₱53,756	₱–	₱729	₱3,841,888	₱–	₱3,841,888
Interest income	796	3	5	2,489	3,293	–	3,293
Inter-segment	–	–	161,496	–	161,496	(161,496)	–
Other income	460,352	758	2	57	461,169	(171,583)	289,586
	4,248,551	54,517	161,503	3,275	4,467,846	(333,079)	4,134,767
Cost and Expenses							
Interest expense	3,175	–	713	–	3,888	–	3,888
Direct costs	888,414	41,562	26,440	458	956,874	(64,100)	892,774
Selling and general expenses	1,153,406	5,362	20,804	31,082	1,210,654	(262,834)	947,820
Accretion expense	2,453	–	–	–	2,453	–	2,453
Depreciation, depletion and amortization (Note 25)	204,749	694	7,923	1,515	214,881	(66,667)	148,214
Excise taxes and royalty fees (Note 20)	284,282	–	–	–	284,282	–	284,282
Other expenses	30,838	59	26,066	4,155	61,118	217	61,335
Income (loss) before tax	1,681,234	6,840	79,557	(33,935)	1,733,696	60,305	1,794,001
Provision for income tax	356,191	127	16,047	32	372,397	–	372,397
Net income (loss)	₱1,325,043	₱6,713	₱63,510	(₱33,967)	₱1,361,299	₱60,305	₱1,421,604
Operating assets	₱11,843,308	₱40,525	₱482,082	₱1,393,090	₱13,759,005	(₱5,021,298)	₱8,737,707
Operating liabilities	(₱3,033,365)	(₱78,576)	(₱357,964)	(₱794,277)	(₱4,264,182)	(₱2,672,940)	(₱5,345,880)
Other disclosure:							
Capital expenditure	₱39,213	₱1,570	₱11,438	₱332	₱52,553	₱–	₱52,553

Notes to operating segments:

a. Inter-segment revenue, cost and expenses, assets and liabilities are eliminated upon consolidation and reflected in the 'eliminations' column.

b. Capital expenditures consist of additions to property, plant and equipment and deferred mine exploration costs.

c. Further information of the Group's revenue about products and services as well as geographical areas are presented in Note 20.

d. Gross revenues from each of the customers from the mining segment that exceeded 10% of the Group's revenue for the years ended December 31, 2023, 2022 and 2021 are presented below:

	2023	2022	2021
Customer 1	**₱623,399**	₱911,594	₱942,427
Customer 2	**1,744,009**	2,920,734	2,731,975
	₱2,367,408	₱3,832,328	₱3,674,402

33. Financial Risk Management Objectives and Policies

The Group has various other financial instruments such as cash and cash equivalents, trade receivables, receivable from lessees of bunkhouses, and loan receivable under "other noncurrent assets", trade and accrued expenses under trade and other payables and lease liabilities, which arise directly from its operations. Other financial assets include financial assets at FVPL and FVOCI.

The significant risks arising from the Group's financial instruments are liquidity risk, credit risk and interest rate risk. The BOD reviews and agrees policies for managing each of these risks and these are summarized below.

Liquidity Risk

Liquidity risk arises from the possibility that the Group may encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and availment of suppliers' credit. The long-term relationship of the Group to its suppliers gives it the advantage to negotiate the payment terms.

As part of its liquidity risk management, the Group has access to sufficient external funding and loans payable maturing within 12 months can be rolled over with existing lenders. It also continuously assesses conditions in the financial markets for opportunities to avail bank loans and capital market issues. Accordingly, its loan maturity profile is regularly reviewed to ensure availability of funding through an adequate amount of credit facilities with financial institutions. As at December 31, 2023 and 2022, cash and cash equivalents may be withdrawn anytime while quoted FVOCI may be converted to cash by selling them during the normal trading hours in any business day.

The tables below summarize the maturity profile of the Group's financial liabilities as of December 31, 2023 and 2022 based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Group's financial assets in order to provide a complete view of the Group's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates

	2023				
	On demand	**0-90 days**	**91-365 days**	**More than one year**	**Total**
Financial assets					
Cash and cash equivalents					
Cash on hand and in banks	**₱630,810**	**₱–**	**₱–**	**₱–**	**₱630,810**
Short-term deposits	**–**	**143,382**	**–**	**–**	**143,382**
Trade and other receivables*	**108,233**	**284,816**	**208,858**	**–**	**601,907**
FVPL	**1,328,780**	**–**	**–**	**–**	**1,328,780**
Short-term deposits under "other current assets"	**–**	**–**	**407,533**	**–**	**407,533**
FVOCI	**–**	**–**	**–**	**1,110**	**1,110**
	2,067,823	**428,198**	**616,391**	**1,110**	**3,113,522**
Financial liabilities					
Loans payable	**339,238**	**–**	**–**	**–**	**339,238**
Trade and other payables					
Trade	**–**	**345,933**	**–**	**–**	**345,933**
Nontrade**	**4,958**	**–**	**–**	**–**	**4,958**
Accrued expenses	**–**	**11,060**	**13,082**	**–**	**24,142**
Lease liabilities	**–**	**929**	**2,788**	**6,719**	**10,436**
Other noncurrent liabilities					
Equity of claimowners in contract operations	**–**	**–**	**–**	**49,136**	**49,136**
	344,196	**357,922**	**15,870**	**55,855**	**773,843**
Net financial assets (liabilities)	**₱1,723,627**	**₱70,276**	**₱600,521**	**(₱54,745)**	**₱2,339,679**

**Excluding advances to officers and employees*
***Excluding statutory payables*

	2022				
	On demand	0-90 days	91-365 days	More than one year	Total
Financial assets					
Cash and cash equivalents					
Cash on hand and in banks	₱949,142	₱–	₱–	₱–	₱949,142
Short-term deposits	–	53,608	–	–	53,608
Trade and other receivables*	173,295	284,628	208,858	–	666,781
FVPL	1,114,611	–	–	–	1,114,611
FVOCI	–	–	–	1,709	1,709
	2,237,048	338,236	208,858	1,709	2,785,851
Financial liabilities					
Loans payable	₱337,035	₱–	₱–	₱–	₱337,035
Trade and other payables					
Trade	–	332,612	–	–	332,612
Nontrade**	4,038	–	–	–	4,038
Accrued expenses	–	730	63,039	–	63,769
Lease liabilities	–	1,344	4,032	7,462	12,838
Other noncurrent liabilities					
Equity of claimowner in contract operations	–	–	–	49,136	49,136
	341,073	334,686	67,071	56,598	799,428
Net financial assets (liabilities)	₱1,895,975	₱3,550	₱141,787	(₱54,889)	₱1,986,423

**Excluding advances to officers and employees*
***Excluding statutory payables*

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

The 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.
With respect to credit risk arising from other financial assets of the Group, which comprise of cash and cash equivalents, trade receivables, receivables from lessees of bunkhouses and loans receivable under trade and other receivables and advances under other noncurrent assets, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades only with recognized third parties, there is no requirement for collateral.

The table below shows the maximum exposure to credit risk for the components of the consolidated statements of financial position. The maximum exposure is shown at each instrument's carrying amount, before the effect of mitigation through the use of master netting and collateral agreements.

	2023	2022
Cash and cash equivalents		
Cash in banks	**₱630,028**	₱946,854
Short-term deposits	**143,382**	53,608
Trade and other receivables, except advances to officers and employees	**601,907**	666,781
Short-term investments under "other current assets"	**407,533**	–
	₱1,782,250	₱1,667,243

Impairment of financial assets
The Group has financial assets consisting of cash and cash equivalents, trade receivables, receivables from lessees of bunkhouses, and loans receivable that are subjected to ECL model.

General Approach

Cash and cash equivalents
The ECL relating to the cash of the Group is minimal as these are deposited in reputable banks which have good credit rating, and are considered to have lower credit risk.

Other receivables and loans receivable
The Group has an allowance for ECLs for these financial assets amounting to ₱122.56 million and ₱122.74 million as at December 31, 2023 and 2022, respectively.

Simplified Approach

Trade receivables
An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due of trade receivables. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group establishes credit limits at the level of the individual borrower, corporate relationship and industry sector. It also provides for credit terms with the consideration for possible application of intercompany accounts between affiliated companies. Also, the Group transacts only with related parties and recognized third parties, hence, there is no requirement for collateral.

Below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at December 31, 2023

		Past due			Specific	
	Current	**30 days**	**60 days**	**>90 days**	**Identification**	**Total**
Expected credit loss rate	**2%**	**7%**	**6%**	**23%**	**100%**	
Estimated total gross carrying amount at default	**₱43,243**	**₱20,723**	**₱1,290**	**₱113,350**	**₱4,823**	**₱183,429**
	₱1,042	**₱1,419**	**₱74**	**₱25,638**	**₱4,823**	**₱32,996**

As at December 31, 2022

		Past due			Specific	
	Current	30 days	60 days	>90 days	Identification	Total
Expected credit loss rate	2%	5%	9%	13%	100%	
Estimated total gross carrying amount at default	₱88,996	₱2,592	₱5,904	₱190,086	₱4,823	₱292,401
	₱1,780	₱130	₱531	₱24,626	₱4,823	₱31,890

Market Risks

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk relates primarily to the Group's long-term debt obligations with floating interest rates.

As at December 31, 2023 and 2022, the Group's exposure to the risk for changes in market interest rate relates primarily to its secured bank loans. The Group regularly monitors its interest due to exposure from interest rates movements.

The Group's unsecured loans payable are both payable on demand. Nominal interest rates vary from floating rate of 91-day Philippine Php T-bill rate for peso loans and 3-month SONIA foreign loans, plus a margin of 3.5% for unsecured loans. The Group has no material exposure to interest rate risk as at December 31, 2023 and 2022.

Foreign Currency Risk

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

The Group has transactional currency exposures. Such exposure arises from the sale of gold and nickel ore and the purchase of certain goods and services denominated in US$.

All sales of gold and nickel ore are denominated in US$. Dollar conversion of metal sales to Philippine peso is based on the prevailing exchange rate at the time of sale.

The Group's policy is to maintain foreign currency exposure within acceptable limits. The Group believes that its profile of foreign currency exposure on its assets and liabilities is within conservative limits for an institution engaged in the type of business in which the Group is involved. The Group did not seek to hedge the exposure on the change in foreign exchange rates between the US$ and the Philippine peso. The Group believes that active currency hedging would not provide long-term benefits to stockholders.

The Group's foreign currency-denominated monetary assets and liabilities as at December 31, 2023 and 2022 follow:

	2023		2022	
	US$	**Peso equivalent**	US$	Peso equivalent
Financial Assets				
Cash in banks	**5,581**	**₱309,020**	10,586	₱590,858
Trade receivables under "trade and other receivables"	**238**	**13,178**	527	29,415
Short-term investments	**6,000**	**332,220**	–	–
Interest receivables	**34**	**1,883**	–	–
Total monetary assets	**11,853**	**₱656,301**	11,113	₱620,273

As at December 31, 2023 and 2022, the exchange rates of the Philippine peso to the US$ based on the Bankers Association of the Philippines are ₱55.37 and ₱55.82, respectively.

The sensitivity to a reasonably possible change in the US$ exchange rate, with all other variables held constant, of the Group's income before income tax as at December 31, 2023 and 2022 is as follows:

2023	**Change in dollar exchange rate**	**Increase (decrease) of income before income tax**
	Strengthens by-1.14%	**₱7,482**
	Weaken by -1.65%	**(10,829)**

2022	Change in dollar exchange rate	Increase (decrease) of income before income tax
	Strengthens by-0.6%	₱3,722
	Weaken by -2.56%	(15,880)

Equity Price Risk
Equity price risk is the risk to earnings or capital arising from changes in stock exchange indices relating to its quoted equity securities. The Group's exposure to equity price risk relates primarily to its quoted shares under financial assets at FVOCI.

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

Since the amount of financial assets at FVOCI subject to equity price risk is not significant relative to the consolidated financial statements, management deemed that it is not necessary to disclose equity price risk sensitivity analysis for 2023 and 2022.

Capital Management
The Group maintains a capital base to cover risks inherent in the business. The primary objective of the Group's capital management is to optimize the use and earnings potential of the Group's resources, ensuring that the Group complies with externally imposed capital requirements, if any, and considering changes in economic conditions and the risk characteristics of the Group's activities.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may obtain additional advances from stockholders or issue new shares. No changes were made in the objectives, policies or processes in 2023, 2022 and 2021. The Group monitors capital using the consolidated financial statements. As at December 31, 2023 and 2022, the Group has met its capital management objectives.

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

	2023	2022
Capital stock	**₱624,277**	₱624,015
Capital surplus	**415,547**	415,110
Retained earnings	**5,907,571**	5,353,428
Cost of share-based payment	**8,104**	6,275
Other components of equity	**1,419,502**	1,385,454
Treasury shares	**(8,016)**	(8,016)
	₱8,366,985	₱7,776,266

Further, the Group monitors capital using debt to equity ratio, which is total liabilities divided by total equity. Debt to equity ratios of the Group as at December 31, 2023 and 2022 are as follows:

	2023	2022
Total liabilities (a)	**₱1,970,633**	₱2,132,810
Total equity (b)	**8,366,985**	7,776,266
Debt-to-equity ratio (a/b)	**0.24:1**	0.27:1

34. Changes in Liabilities arising from Financing Activities

Movements on the reconciliation of liabilities arising from financing activities are as follows:

	January 1, 2023	**Cash flows**	**Reclassification**	**Others**	**December 31, 2023**
Loans payable	**₱337,035**	**₱–**	**₱–**	**₱2,203**	**₱339,238**
Lease liabilities-current	**6,309**	**(5,828)**	**3,757**		**4,238**
Lease liabilities-net of current portion	**5,798**	**–**	**(3,757)**	**2,052**	**4,093**
	₱349,142	**(₱5,828)**	**₱–**	**₱4,255**	**₱347,569**

	January 1, 2022	Cash flows	Reclassification	Others	December 31, 2022
Loans payable	₱337,035	₱–	₱–	₱–	₱337,035
Lease liabilities-current	9,181	(8,366)	4,392	1,102	6,309
Lease liabilities-net of current portion	11,913	–	(4,392)	–	5,798
	₱358,129	(₱8,366)	₱–	₱1,102	₱349,142

Others include interest expense (see Notes 14 and 15).

35. **Fair Value Measurement**

Fair Values

Set out below is a comparison by category and class of carrying amounts and estimated fair values of the Group's significant financial assets and liabilities as at December 31, 2023 and 2022:

	Carrying amounts		Fair values	
	2023	2022	**2023**	2022
Financial Assets:				
FVPL	**₱1,328,780**	₱1,114,611	**₱1,328,780**	₱1,114,611
FVOCI	**1,110**	1,709	**1,110**	1,709
Loan receivable	–	211,324	–	211,324

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

Cash and cash equivalents, Trade receivables and receivables from lessees of bunkhouses under Trade and Other Receivables, Loan receivable and Advances under Other Current Assets, and trade and accrued expenses under Trade and Other Payables

The fair values of these instruments approximate their carrying amounts as of reporting date due to the short-term nature.

Equity of claimowner in contract operations under Other Noncurrent Liabilities

The the estimated fair value of equity of claimowner is based on the discounted value of future cash flows using the interest rate of 1% per annum.

Financial assets measured at FVPL

The fair value of investments is based on published net asset value per unit or the price per unit of the UITF.

Financial assets measured at FVOCI

The fair value of investments that are actively traded in organized markets is determined by reference to quoted market bid prices at the close of business on reporting date.

Fair Value Hierarchy

Set out below is the fair value hierarchy of the Group's assets measured at fair value.

	2023		
	Fair value measurement using		
	Quoted prices in active market (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Land at revalued amounts	**₱–**	**₱–**	**₱1,724,475**
Artworks at revalued amounts	–	–	**52,139**
Investment properties	–	–	**2,997,953**
Financial assets at FVPL	**1,328,780**	–	–
Financial assets at FVOCI	**1,110**	–	–

	2022		
	Fair value measurement using		
	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Land at revalued amounts	₱–	₱–	₱1,677,566
Artworks at revalued amounts	–	–	52,139
Investment properties	–	–	2,991,984
Financial assets at FVPL	1,114,611	–	–
Financial assets at FVOCI	1,709	–	–
Intangible asset under "Other noncurrent assets"	–	250	–

<u>Sensitivity of the fair value measurements that are categorized within Level 3</u>
A 5% increase (decrease) in internal factors used in determining the price per square meter such as use, size and location would decrease (increase) the fair value of land at revalued amounts and investment properties by ₱641.87 million (₱615.14 million) and ₱219.68 million (₱212.30 million) as at December 31, 2023 and 2022, respectively.

A 5% increase (decrease) in leeway discount in determining the price of each artwork would decrease (increase) the fair value of artworks by ₱3.08 million (₱3.08 million) as at December 31, 2023 and 2022.

As at December 31, 2023 and 2022, the fair value of land at revalued amounts, artworks at revalued amounts and investment property are calculated using the sales comparative approach, which resulted in measurement being classified as Level 3 in the fair value hierarchy.

As at December 31, 2023 and 2022, the Group's financial assets at FVPL and FVOCI are classified under Level 1 of the fair value hierarchy since these are based on quoted market prices or binding dealer price quotations.

As at December 31, 2023, the Group no longer has any intangible asset under "other noncurrent assets" while as at December 31, 2022, these were classified under Level 2 of the fair value hierarchy.

There are no other assets and liabilities measured at fair value using any of the valuation techniques as at December 31, 2023 and 2022. There were no transfers between levels in 2023 and 2022.

36. Agreements and Contingencies

a. The Parent Company and certain subsidiaries are contingently liable for liabilities arising from lawsuits or claims (mostly labor, civil, mines administrative and ports related cases) filed by third parties, which are either pending decision by the courts or are subject to settlement agreements. The outcome of these lawsuits or claims cannot be presently determined. In the opinion of management and its legal counsel, the eventual liability from these lawsuits or claims, if any, will not have a material effect on the consolidated financial statements.

SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
Benguet Corporation
7th Floor Universal Re-Building
106 Paseo de Roxas, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Benguet Corporation and its subsidiaries (the Group) as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated March 22, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Peter John R. Ventura

Peter John R. Ventura
Partner
CPA Certificate No. 0113172
Tax Identification No. 301-106-741
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-140-2021, November 10, 2021, valid until November 9, 2024
PTR No. 10082030, January 6, 2024, Makati City

March 22, 2024

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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
Benguet Corporation
7th Floor Universal Re-Building
106 Paseo de Roxas, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Benguet Corporation and its subsidiaries (the Group) as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated March 22, 2024. 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 (PFRSs) 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 PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Peter John R. Ventura

Peter John R. Ventura
Partner
CPA Certificate No. 0113172
Tax Identification No. 301-106-741
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-140-2021, November 10, 2021, valid until November 9, 2024
PTR No. 10082030, January 6, 2024, Makati City

March 22, 2024

BENGUET CORPORATION AND SUBSIDIARIES
FINANCIAL RATIOS
PURSUANT TO REVISED SRC RULE 68
DECEMBER 31, 2023

Ratio	Formula	December 2023	December 2022	2023	2022
Profitability Ratio					
Return to assets	Net income	₱554,143	₱1,331,047	**5.47%**	14.27%
	Total average asset	10,123,347	9,329,215		
Return on equity	Net income	₱554,143	₱1,331,047	**6.62%**	17.12%
	Total shareholder's equity	8,366,985	7,776,266		
Gross profit margin	Total revenue	₱2,531,358	₱4,025,195	**62.59%**	66.45%
	Less: Cost of mine products sold	680,471	970,388		
	Cost of services and other sales	84,056	299,747		
	Excise tax and royalties' fees	182,425	80,158		
		946,952	1,350,293		
	Gross Profit	1,584,406	2,674,902		
	Gross profit	1,584,406	2,674,902		
	Total revenue	2,531,358	4,025,195		
Operating profit margin	Total revenue	₱2,531,358	₱4,025,195	**26.80%**	39.66%
	Less: Operating costs and expenses	1,852,967	2,428,835		
	Operating income	678,391	1,569,360		
	Operating income	678,391	1,569,360		
	Total revenue	2,531,358	4,025,195		
Net Profit Margin	Net income	₱554,143	₱1,331,047	**21.89%**	33.07%
	Total revenue	2,531,358	4,025,195		
Liquidity and Solvency Ratio					
Current ratio	Total current assets	₱3,758,226	₱3,432,868	**4.16:1**	3.38:1
	Total current liabilities	902,400	1,015,403		

Quick ratio	Total current assets	₱3,758,226	₱3,432,868	**1.69:1**	1.76.1
	Less: Inventories	247,959	180,572		
	Other current assets	1,989,349	1,467,041		
		2,237,308	1,647,613		
	Quick assets	1,520,918	1,785,255		
	Quick assets	1,520,918	1,785,255		
	Total current liabilities	902,400	1,015,403		
Solvency Ratio	Total assets	₱10,337,618	₱9,909,076	**5.25:1**	4.65:1
	Total liabilities	1,970,633	2,132,810		

Financial Leverage Ratio

Asset to equity ratio	Total assets	₱10,337,618	₱9,909,076	**1.24:1**	1.27:1
	Total equity	8,366,985	7,776,266		
Debt ratio	Total liabilities	₱1,970,633	₱2,132,810	**0.19:1**	0.22:1
	Total assets	10,337,618	9,909,076		
Debt to equity ratio	Total liabilities	₱1,970,633	₱2,132,810	**0.24:1**	0.27:1
	Total equity	8,366,985	7,776,266		
Interest Coverage ratio	Income before income tax and interest	₱735,385	₱1,760,374	**264.91:1**	1,597.44:1
	Total interest expense	2,776	1,102		

BENGUET CORPORATION AND SUBSIDIARIES

INDEX TO THE SUPPLEMENTARY SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2023

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Capital stock	G

SCHEDULE I

Reconciliation of Retained Earnings Available for Dividend Declaration

For the reporting period ended December 31, 2023

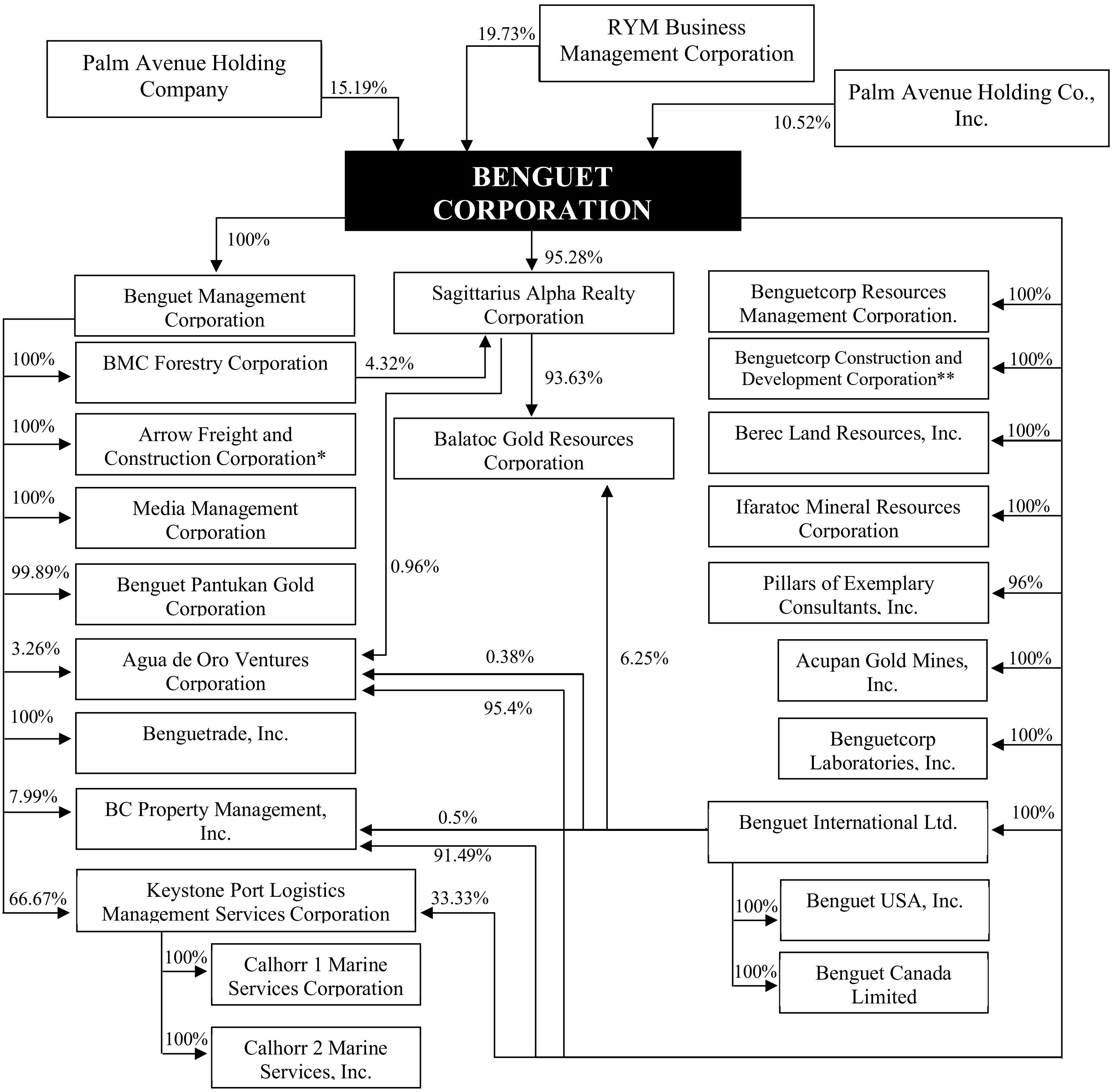
(Amount in Thousands)

Benguet Corporation

7th Floor Universal Re-Building, 106 Paseo de Roxas, Makati City

Unappropriated Retained Earnings, beginning of reporting period		**₱1,130,908**
Add: Net income for the current year		**527,997**
Less: Category C.1: Unrealized income recognized in proft or loss during the reporting period		
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRSs		**638**
Add: Category C.2: Unrealized income recognized in proft or loss in prior reporting periods but recognized in the current period		
Realized fair value gain of investment property		**406,066**
Adjusted Net income		**934,701**
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period		
Loss on fair value adjustment of investment property		**20,141**
Add: Category F: Other items that should be excluded from the determination of the amount of retained earnings available for dividend distribution		
Net movement in recognized deferred tax asset not considered in the reconciling items under the previous categories	(11,836)	
Net movement in recognized deferred tax liability related to excess of mine rehabilitation asset over liability for mine rehabilitation	8,334	
Subtotal		**(3,502)**
TOTAL RETAINED EARNINGS, END AVAILABLE FOR DIVIDEND		**₱2,080,972**

SCHEDULE II
BENGUET CORPORATION AND SUBSIDIARIES
A MAP SHOWING THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP
PURSUANT TO SRC RULE 68, AS AMENDED
DECEMBER 31, 2023



**Formerly Arrow Freight Corporation*
***Formerly Batong Buhay Mineral Resources Corporation*

SCHEDULE A

BENGUET CORPORATION AND SUBSIDIARIES
FINANCIAL ASSETS
DECEMBER 31, 2023
(Amounts in Thousands)

Name of Issuing Entity and Association of Each Issue	Number of Share or Principal Amount of Bonds and Notes	Amount in the Statement of Financial Position	Income Received and Accrued
Financial assets at amotized cost			
A. Cash in banks			
BDO Unibank, Inc.		₱542,094	₱2,343
Malayan Savings Bank		55,088	238
Metropolitan Bank & Trust Company		13,323	58
Union Bank of the Philippines		69	1
China Banking Corporation		181	1
Philippine National Bank		5,527	24
United Coconut Planters Bank		2,144	9
Landbank of the Philippines		11,530	50
Others		72	–
B. Short Term Deposits			
BDO Unibank, Inc.		80,152	346
Malayan Savings Bank		60,126	260
Metropolitan Bank & Trust Company		2,102	9
Others		1,002	4
C. Trade and Other receivables			
Trade		150,433	–
Loan receivable		208,859	–
Nontrade		221,841	–
Receivables from lessees of bunkhouses		5,793	
Others		14,981	–
D. Short-term investments under “other current assets”		407,533	6,563
E. Financial assets at fair value through profit or loss (FVPL)			
Unit Investment Trust Fund		1,328,780	–
F. Financial assets at fair value through Other Comprehensive Income (FVOCI)			
PLDT, Inc.		519	–
Sherwood Hills Development, Incorporated		591	–
		₱3,112,740	₱9,906

SCHEDULE B

BENGUET CORPORATION AND SUBSIDIARIES
AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2023
(Amounts in Thousands)

Name and Designation of Debtor	Balance at beginning period	Additions	Amounts collected / settlements	Amounts written off	Current	Not current	Balance at end period
Max D. Arceno *SVP - Accounting & Treasurer*	₱392	₱–	₱-	₱–	₱392	₱–	₱392
Reynaldo P. Mendoza *EVP & Asst. Corporate Secretary*	1,279	2	–	–	1,281	–	1,281
Cynthia Lazaro *Sec. Mgr - Insurance (Treasury)*	522	32	18	–	536	–	536
Sheena Irish Barra *Division Manager – Accounting & Budget*	303	103	3	–	403	–	403
Camilo Bernaldo *Section Mgr - Gov't Liaison (Legal)*	44	–	42	–	2	–	2
Eden Barcelona *Section Manager-Stockholders Relation Office*	111	–	–	–	111	–	111
Pamela Gendrano *AVP - Compliance, COMREL & Environmental*	59	100	47	–	112	–	112
Lourdes O. Calub *Department Manager (Finance)*	20	–	–	–	20	–	20
Daisy A. Mejia *Department Manager - HR*	16	–	–	–	16	-	16
Marlene Q. Villanueva Unit Manager – Purchasing Assistant	13	100	18		95		95
Jessa P. Repasa Asst. Unit Manager – Admini. Asst. to the President	6	255	89		172		172
Maricel Ulep *Group Asst for SVP-Finance & SVP Nickel Op'n*	119	–	–	–	119	–	119

SCHEDULE C

BENGUET CORPORATION AND SUBSIDIARIES
AMOUNTS RECEIVABLE FROM RELATED PARTIES
WHICH ARE ELIMINATED DURING THE
CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2023
(Amounts in Thousands)

Name and Designation of Debtor	Balance at Beginning period	Additions	Amounts collected/ settlements	Amounts Written off	Current	Not Current	Balance at end period
Benguetcorp Resources Management Corporation	(₱266,125)	₱298,146	₱–	₱–	₱32,021	₱–	₱32,021
Balatoc Gold Resources Corporation	78,565	–	61	–	78,626	–	78,626
Benguetrade, Inc.	(32,153)	–	47,713	–	15,560	–	15,560
Benguetcorp Laboratories, Inc.	45,851	2,696	–	–	48,547	–	48,547
Berec Land Resources, Inc.	(35,164)	–	17	–	(35,147)	–	(35,147)
BC Property Management, Inc.	30,543	41	–	–	30,584	–	30,584
Ifaratoc Mineral Resources Corporation	30,102	6,094	–	–	36,196	–	36,196
Benguet-Pantukan Gold Corporation	29,694	52	–	–	29,746	–	29,746
BMC Forestry Corporation	(27,326)	–	4,051	–	(23,275)	–	(23,275)
Media Management Corporation	100,183	–	–	–	100,183	–	100,183
Arrow Freight Corporation	(4,779)	615	–	–	(5,394)	–	(5,394)
Benguet Management Corporation	100,317	98	–	–	100,415	–	100,415
Agua de Oro Ventures Corporation	12,697	273	–	–	12,970	–	12,970
Keystone Port Logistics Management Services Corporation	18,807	11	–	–	18,818	–	18,818
BenguetCorp International Limited	7,842	811	–	–	8,653	–	8,653
Sagittarius Alpha Realty Corporation	(97,870)	3,020	–	–	(100,890)	–	(100,890)
Batong Buhay Mineral Resources Corporation	14,592	–	11,376	–	3,216	–	3,216
Acupan Gold Mines, Inc.	1,936	–	2,017	–	81	–	81
Pillars of Exemplary Consultants, Inc.	814	51	–	–	865	–	865
	₱8,526	₱311,908	₱65,235	₱–	₱351,775	₱–	₱351,775

SCHEDULE D

BENGUET CORPORATION AND SUBSIDIARIES
LONG-TERM DEBT
DECEMBER 31, 2023
(Amounts in Thousands)

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
Unsecured loans, including interest	₱339,238	₱339,238	₱–
	₱339,238	₱339,238	₱–

SCHEDULE E

BENGUET CORPORATION AND SUBSIDIARIES
INDEBTEDNESS TO RELATED PARTIES
(LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2023

Name of related party	Balance at beginning of period	Balance at end of period
	NOT APPLICABLE	

SCHEDULE F

BENGUET CORPORATION AND SUBSIDIARIES
GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2023

Name of issuing entity of securities guaranteed by the Group 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

BENGUET CORPORATION AND SUBSIDIARIES
CAPITAL STOCK
DECEMBER 31, 2023

The Parent Company's authorized share capital is ₱784.8 million divided into 737.0 million shares consisting of 19.7 million Convertible Preferred Class A shares with par value of ₱3.43 each and 430.4 million Class A common shares and 286.9 million Class B common shares with par value of ₱1.00 each. As at December 31, 2023, shares issued and outstanding totaled 623,401,190 held by 16,870 shareholders.

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under related financial condition caption	Number of shares reserved for option, warrants, conversions and other rights	No of shares held by: Affiliates	Directors and Officers	Others
Convertible Preferred Stock						
Class A	19,652,912	217,061	–	–	–	217,061
Common Stock						
Class A	430,380,000	375,120,008	–	–	882,430	374,237,578
Class B	286,920,000	248,064,121	–	–	479,007	247,585,114

BenguetCorp

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of BENGUET CORPORATION (the "Company") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as 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 Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

BERNARDO M. VILLEGAS
Chairman of the Board

LINA G. FERNADEZ
President

MAX D. ARCEÑO
Senior Vice President-Finance & Treasurer

Signed this March 22, 2024.

BUREAU OF INTERNAL REVENUE
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BY: ERWIN PACINIO
LT DOCUMENT PROCESSING AND QUALITY ASSURANCE DIVISION

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
City of Makati) S.S.

SUBSCRIBED AND SWORN to before me this MAR 22 2024 at Makati City, affiants exhibited to me their valid identification: Mr. Bernardo M. Villegas with SSS No. 03-12455042; Atty. Lina G. Fernandez with SSS No. 03-7537025-8; and Mr. Max D. Arceño with SSS No. 03-82056688, all issued by the Office of the Social Security System, Philippines.

SHEILA C. CENIT-BELGICA
Commission No. M-234
Notary Public for Makati City
Until December 31, 2025
7F Universal Re Building
106 Paseo de Roxas, Makati City
Roll No. 53476
IBP Life Member No. 014470 / 02 18.16
PTR No MKT10078179 dated January 4, 2024

Doc. No. 25;
Page No. 6;
Book No. I;
Series of 2024.

SEC

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number: 1 1 3 4 1

COMPANY NAME

BENGUET CORPORATION

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

7th Floor, Universal Re-Building, 106 Paseo de Roxas, 1226 Makati City

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
BCCorpSec@benguetcorp.com	(02) 8812-1380	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
16,870	First Wednesday of November	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mr. Reynaldo P. Mendoza	rey_men777@yahoo.com	(02) 8812-1220	N/A

CONTACT PERSON's ADDRESS

5 Atipolo Bend St. Phase 2, Greenwoods Executive Village, Cainta, Rizal

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.*

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
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Benguet Corporation
7th Floor, Universal Re-Building
106 Paseo de Roxas, Makati City

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of Benguet Corporation (the Company), which comprise the parent company statements of financial position as at December 31, 2023 and 2022, and the parent company statements of income, parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

The supplementary information required under Revenue Regulations 15-2010 for purposes of filing with the Bureau of Internal Revenue is presented by the management of Benguet Corporation in a separate schedule. Revenue Regulations 15-2010 requires the information to be presented in the notes to parent company financial statements. Such information is not a required part of the basic financial statements. The information is also not required by the Revised Securities Regulation Code Rule 68. Our opinion on the parent company financial statements is not affected by the presentation of this information in a separate schedule.

The engagement partner on the audit resulting in this independent auditor's report is Peter John R. Ventura.

SYCIP GORRES VELAYO & CO.

Peter John R. Ventura

Peter John R. Ventura
Partner
CPA Certificate No. 0113172
Tax Identification No. 301-106-741
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-140-2021, November 10, 2021, valid until November 9, 2024
PTR No. 10082030, January 6, 2024, Makati City

March 22, 2024

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BENGUET CORPORATION
PARENT COMPANY STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands, Except Number of Shares)

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱227,097**	₱157,478
Trade and other receivables (Note 5)	**395,252**	293,012
Inventories (Note 6)	**52,168**	56,012
Amounts owed by related parties (Note 24)	**373,316**	375,273
Financial assets at fair value through profit or loss (FVPL) (Note 7)	**21,441**	798
Other current assets (Note 8)	**146,893**	184,981
Total Current Assets	**1,216,167**	1,067,554
Noncurrent Assets		
Investments in subsidiaries (Note 9)	**2,494,405**	2,076,463
Property, plant, and equipment (Note 10)		
At revalued amount	**1,574,558**	1,514,327
At cost	**444,376**	424,294
Investment properties (Note 32)	**2,553,620**	2,979,827
Deferred mine exploration costs (Note 11)	**449,037**	421,792
Other noncurrent assets (Note 12)	**313,306**	296,165
Total Noncurrent Assets	**7,829,302**	7,712,868
TOTAL ASSETS	**₱9,045,469**	₱8,780,422
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Note 13)	**₱146,149**	₱190,326
Loans payable (Note 14)	**327,299**	325,096
Amounts owed to related parties (Note 24)	**164,028**	445,297
Liability for mine rehabilitation – current (Note 16)	**17,783**	10,487
Lease liabilities - current (Note 31)	**2,695**	1,288
Total Current Liabilities	**657,954**	972,494
Noncurrent Liabilities		
Pension liability (Note 26)	**54,555**	53,021
Liability for mine rehabilitation - net of current portion (Note 16)	**21,290**	27,225
Lease liabilities - net of current portion (Note 31)	**2,576**	3,426
Deferred tax liabilities - net (Note 27)	**714,006**	702,885
Other noncurrent liability (Note 15)	**49,136**	49,136
Total Noncurrent Liabilities	**841,563**	835,693
Total Liabilities	**1,499,517**	1,808,187
Equity		
Capital stock (Note 17)	**624,277**	624,015
Capital surplus	**415,547**	415,110
Cost of share-based payment (Note 18)	**8,104**	6,275
Other components of equity:		
Revaluation increment on land (Note 10)	**1,351,069**	1,305,895
Unrealized gain on transfer of mining rights (Note 1)	**1,000,000**	1,000,000
Remeasurement gain on pension liability (Note 26)	**15,031**	17,055
Unrealized loss on financial assets at FVOCI (Note 12)	**(180)**	(222)
Retained earnings	**4,140,120**	3,612,123
	7,553,968	6,980,251
Treasury shares (Note 17)	**(8,016)**	(8,016)
Total Equity	**7,545,952**	6,972,235
TOTAL LIABILITIES AND EQUITY	**₱9,045,469**	₱8,780,422

See accompanying Notes to Parent Company Financial Statements.

BUREAU OF INTERNAL REVENUE
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BY: ERWIN PACINIO
DOCUMENT PROCESSING AND QUALITY ASSURANCE DIVISION

BENGUET CORPORATION
PARENT COMPANY STATEMENTS OF INCOME
(Amounts in Thousands)

	Years Ended December 31	
	2023	2022
REVENUE (Note 19)	**₱723,982**	₱1,014,731
OPERATING COSTS AND EXPENSES		
Cost of mine products sold (Note 20)	**546,103**	799,500
Selling, general and administrative (Note 21)	**237,094**	270,749
Taxes on sale of mine products (Note 19)	**25,464**	36,881
	808,661	1,107,130
INTEREST EXPENSE (Notes 14 and 31)	**2,521**	389
OTHER INCOME (CHARGES) - net (Note 23)	**625,267**	764,699
INCOME BEFORE INCOME TAX	**538,067**	671,911
PROVISION FOR INCOME TAX (Note 27)	**10,070**	29,886
NET INCOME	**₱527,997**	₱642,025

See accompanying Notes to Parent Company Financial Statements.

BENGUET CORPORATION

PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands)

	Years Ended December 31	
	2023	2022
NET INCOME	**₱527,997**	₱642,025
OTHER COMPREHENSIVE INCOME (LOSS) - NET OF TAX		
Items not to be reclassified to profit or loss in subsequent periods:		
Revaluation of land (Note 10)	**45,174**	19,727
Remeasurement gain (loss) on pension liability (Note 26)	**(2,024)**	7,030
Unrealized gain on financial assets at FVOCI (Note 12)	**42**	48
TOTAL OTHER COMPREHENSIVE INCOME	**43,192**	26,805
TOTAL COMPREHENSIVE INCOME	**₱571,189**	₱668,830

See accompanying Notes to Parent Company Financial Statements.

BENGUET CORPORATION

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Amounts in Thousands)

				Other components of equity							
	Capital stock (Note 17)	Capital surplus	Cost of share-based payment (Note 18)	Unrealized loss on financial assets at FVOCI (Note 12)	Unrealized gain from transfer of mining right (Note 1)	Revaluation increment on land (Note 10)	Remeasurement gain on pension liability (Note 26)	Total other comprehensive income	Retained earnings	Treasury stock (Note 17)	Total
Balances at January 1, 2022	**₱624,015**	**₱409,929**	**₱9,198**	**(₱270)**	**₱1,000,000**	**₱1,286,168**	**₱10,025**	**₱2,295,923**	**₱2,970,098**	**(₱8,016)**	**₱6,301,147**
Stock options expense (Notes 18 and 22)	–	–	2,258	–	–	–	–	–	–	–	2,258
Stock options expired (Note 17)	–	5,181	(5,181)	–	–	–	–	–	–	–	–
Net income	–	–	–	–	–	–	–	–	642,025	–	642,025
Other comprehensive income	–	–	–	48	–	19,727	7,030	26,805	–	–	26,805
Total comprehensive income	–	–	–	48	–	19,727	7,030	26,805	642,025	–	668,830
Balances at December 31, 2022	**624,015**	**415,110**	**6,275**	**(222)**	**1,000,000**	**1,305,895**	**17,055**	**2,322,728**	**3,612,123**	**(8,016)**	**6,972,235**
Stock options expense (Notes 18 and 22)	–	–	2,260	–	–	–	–	–	–	–	2,260
Stock options exercised (Note 17)	262	437	(431)	–	–	–	–	–	–	–	268
Net income	–	–	–	–	–	–	–	–	527,997	–	527,997
Other comprehensive income (loss)	–	–	–	42	–	45,174	(2,024)	43,192	–	–	43,192
Total comprehensive income (loss)	–	–	–	42	–	45,174	(2,024)	43,192	527,997	–	571,189
Balances at December 31, 2023	**₱624,277**	**₱415,547**	**₱8,104**	**(₱180)**	**₱1,000,000**	**₱1,351,069**	**₱15,031**	**₱2,365,920**	**₱4,140,120**	**(₱8,016)**	**₱7,545,952**

See accompanying Notes to Parent Company Financial Statements.

BENGUET CORPORATION

PARENT COMPANY STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31	
	2023	2022
OPERATING ACTIVITIES		
Income before tax	**₱538,067**	₱671,911
Adjustments for:		
Dividend income (Notes 9 and 23)	**(518,333)**	(500,000)
Revaluation loss (gain) on investment properties (Notes 23 and 32)	**20,140**	(85,331)
Depreciation and depletion (Notes 6, 10, 20 and 21)	**19,779**	34,547
Movements in liability for mine rehabilitation	**6,563**	17,519
Unrealized gain on financial assets at FVPL (Note 7)	**(638)**	(978)
Movements in pension liability	**7,379**	(8,159)
Unrealized foreign exchange gains	**(82)**	(2,513)
Stock options expense (Notes 18 and 22)	**2,260**	2,258
Interest expense (Notes 14 and 31)	**2,521**	389
Interest income (Notes 4, 8, 12 and 23)	**(4,450)**	(281)
Operating income before working capital changes	**73,206**	129,362
Decrease (increase) in:		
Trade and other receivables	**(102,240)**	157,007
Inventories	**3,844**	(34,933)
Other current assets	**49,036**	55,576
Increase (decrease) in trade and other payables	**(44,177)**	27,551
Net cash from (used in) operations	**(20,331)**	334,563
Interest paid	**(318)**	(389)
Interest received	**4,450**	281
Net cash from (used in) operating activities	**(16,199)**	334,455
INVESTING ACTIVITIES		
Dividends received (Notes 9 and 23)	**518,333**	500,000
Additions to:		
Property, plant and equipment (Note 10)	**(43,011)**	(11,954)
Deferred mine exploration costs (Note 11)	**(27,245)**	(27,126)
Financial assets at FVPL (Note 7)	**(20,005)**	–
Short-term investments (Note 8)	**(24,280)**	–
Investment in subsidiaries (Note 9)	**(11,875)**	–
Proceed from disposal of financial assets at FVPL (Note 7)	–	60,288
Decrease in amounts owed by related parties	**1,957**	(106,224)
Payments of advances to supplier (Note 12)	**(4,054)**	(245,946)
Increase in other noncurrent assets	**(13,045)**	(16,951)
Net cash from investing activities	**376,775**	152,087
FINANCING ACTIVITIES		
Decrease in amounts owed to related parties	**(289,813)**	(388,423)
Proceeds from exercise of stock option (Note 17)	**268**	–
Payment of principal portion of lease liabilities (Note 31)	**(1,495)**	(1,987)
Net cash flows used in financing activities	**(291,039)**	(390,410)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**69,537**	96,132
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**82**	2,513
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**157,478**	58,833
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱227,097**	₱157,478

See accompanying Notes to Financial Statements.

(Amounts in Thousands, Except Number of Shares, Per Share Data and When Indicated)

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

Corporate Information

Benguet Corporation (the Company) was incorporated on August 12, 1903 and was listed in the Philippine Stock Exchange (PSE) on January 4, 1950. On June 18, 1956 and June 19, 2006, the Philippine Securities and Exchange Commission (SEC) approved the extension of the Company's corporate life for another 50 years.

The Company is currently engaged in gold and other metallic and nonmetallic mineral production, exploration, research and development and natural resource projects.

The Company's registered office address is 7th Floor, Universal Re-Building, 106 Paseo de Roxas, 1226 Makati City.

Status of Business Operations

Quasi-reorganization

On December 5, 2011, the Philippine SEC approved the application of the Company for quasi-reorganization to wipe out its deficit as at December 31, 2010 against its capital surplus and revaluation increment as follows:

	Prior to quasi-reorganization	*Effect of quasi-reorganization*	*After quasi-reorganization*
Capital surplus	₱1,153,579	(₱1,153,579)	₱–
Revaluation increment	1,561,048	(1,010,848)	550,200
Deficit	(2,164,427)	2,164,427	–

For purposes of dividend declaration, the retained earnings of the Company shall be restricted to the extent of the deficit wiped out by the revaluation increment amounting to ₱1.01 billion until the asset to which the revaluation increment relates is disposed. In addition, the retained earnings of the Company shall be restricted further by the accumulated fair valuation gains of investment properties amounting to ₱1,385.02 million and ₱1,405.16 million as at December 31, 2023 and 2022, respectively (see Note 32).

Business Operations

Significant developments in the Company's operations follow:

a. Mining Projects

Benguet Gold Operations (BGO)

The Company produces gold from the Benguet mines, consisting of the Acupan and Kelly underground mines which were suspended in 1992, following the 1991 earthquake, which flooded the said underground mines. In 2003, BGO resumed operations and production is partly carried out through independent mining contractors in Acupan Contract Mining Project (ACMP) which is a community-based underground mining project.

The Company is currently working on exploration and drilling programs to upgrade BGO's capacity. The exploration and geology group completed the design for the surface and underground diamond drilling program for the Phase 1 of the Greater Acupan Project.

The related feasibility study for Greater Acupan Project was approved in 2013 and the Company is still raising the necessary funds to start the execution of the project.

On October 28, 2016, the Company received from the DENR the mine audit report dated October 21, 2016, which was conducted pursuant to DENR Memorandum Circular No. 2016-01 requiring audit of all operating mines which recommended the suspension of the Company's mining operations and required the Company to submit an explanation thereof within seven days from the date of receipt.

On November 1, 2016, the Company submitted an explanation to the DENR stating that there are no legal and factual bases to recommend the suspension of the Company's operations due to the following reasons:

- Based on the mine audit report, there are no significant findings of violations that would warrant the suspension order.
- None of the alleged violations found pose imminent danger or threat to the community that would justify the suspension of operation.
- The deficiencies cited, which are mostly permitting issues or operational concerns, can easily be remediated without need of suspending the Company's operation.

On February 14, 2017, the Company received from DENR a cancellation order dated February 8, 2017 cancelling its authority to undertake mining operations under Patent Claim (PC-ACMP-002-CAR) in Itogon, Benguet for violation of certain provisions of mining and environmental laws, rules and regulations such as the following:

- Republic Act (RA) No. 6969, otherwise known as the 'Toxic Substances and Hazardous and Nuclear Waste Control Act of 1990'
- DENR Administrative Order (DAO) No. 2013-22 or the 'Revised Procedures and Standards for the Management of Hazardous Wastes'
- RA No. 7942, otherwise known as 'The Philippine Mining Act of 1995'
- DAO No. 2010-21 or the 'Revised Implementing Rules and Regulations of RA No. 7942'

On February 22, 2017, the Company filed a Notice of Appeal before the Office of the President, which stayed the execution of the cancellation order. On March 22, 2017, the Company submitted to the Office of the President its Appeal Memorandum. As of March 22, 2024, the Office of the President has not yet resolved the appeal.

In November 2019, the DENR directed the regional offices of the Mines and Geosciences Bureau (MGB) and Environmental Management Bureau (EMB) to validate the environmental compliance of BGO as input to early resolution of the appeal. In January 2020, MGB submitted a favorable validation report to DENR. and recommended to set aside the cancellation order. Hence, as at December 31, 2023, the Company continues to mine and operate.

On March 28 to 29, 2023, NQA Philippines, Inc. (NQA), an independent evaluation and certification body, conducted ISO 14001:2015 Recertification Audit for BGO. NQA is yet to issue the certification as at March 22, 2024.

Irisan Lime Project (ILP)
The Company's ILP in Irisan, Baguio is engaged in the production and trading of quicklime. ILP produced 6,553 tons and 7,340 tons of quicklime in 2023 and 2022, respectively. On March 22, 2022, the Mineral Processing Permit (MPP) for the ILP was renewed for a period of five years or until March 21, 2027.

Benguet Antamok Gold Operation (BAGO)
The Company's BAGO in Itogon, Benguet has been suspended since August 1998. BAGO has an estimated resource of about 12.4 million tons, averaging 3.45 grams of gold per ton, at the end of 1999. Pursuant to DAO No. 2010-04, the Company's Application for Mineral Production Sharing Agreement (APSA) No. 009-Cordillera Administrative Region (CAR) was denied on February 8, 2011. Subsequently, the Company filed an appeal on April 15, 2011 with MGB Central Office and elevated the appeal to the DENR. On October 5, 2021, the DENR granted the appeal and the APSA was reinstated back to the Company.

In October 2016, a leak occurred in BAGO's tailings dam, which affected the Liang River. On November 23, 2016, the Company received from DENR a letter requiring the Company to show cause why its operation should not be suspended and/or mining contract be cancelled in view of the tailings spill.

On December 26, 2016, the Company argued that there was no negligence because the incident is due to force majeure and the tailings leak was immediately remediated. The Company also emphasized that it has no existing mining operations in BAGO as it has long been suspended. The BAGO open pit mine and the BAGO underground mine has not operated since 1998 and 1989, respectively. The Company contended that its infrastructure in BAGO has been under care and maintenance since then up to the present. On January 1, 2017, the case was elevated to the Pollution Adjudication Board (PAB) from the Environmental Management Bureau (EMB) out of which the Company submitted a position paper on May 8, 2017.

On May 9, 2017 a technical conference hearing was held in PAB regarding the case and as a result, the Company submitted a supplemental motion on June 9, 2017. No subsequent updates as of March 22. 2024.

Masinloc Chromite Operation (MCO)
From 1934 to 2007, the Company managed the Coto Mine under an operating agreement with its claim owner, Consolidated Mines, Inc. (CMI). With the expiration of the operating agreement last July 8, 2007, the Company has transferred back the mine to CMI. As at March 22, 2024, the Company is still engaged in discussion with CMI over the liquidation of MCO's assets.

b. Exploration, Research and Development Projects

Balatoc Tailings Project (BTP)
The Company's Board of Directors (BOD) approved an initial ₱10.00 million research and development fund for the BTP in Itogon, Benguet for the study on the feasibility of reprocessing 16.7 million tons of tailings resource with an average of 0.69 grams gold per ton and is estimated to contain 371,000 ounces of gold. A core research and development team, together with the Beijing Geological Research Institute of Mining and Metallurgy, has done the analysis toward the preparation and completion of the bankable feasibility study.

On October 21, 2009, the Company appointed ATR Kim Eng Capital Partners, Inc. as financial advisor to raise additional development capital for the BTP.

On the same date, the Company entered into a processing agreement with the Balatoc Gold Resources Corporation (BGRC), a subsidiary, to implement the BTP. The Company has completed the bankable feasibility study of the BTP and engaged external Competent Persons to prepare and review reports as required under the Philippine Mineral Reporting Code modeled after the Joint Ore Reserve Committee of Australia.

In September 2010, the Company signed a Deed of Assignment with BGRC to transfer MPP No. 13-2010-CAR covering the BTP subject to approval by the DENR. The MPP allows reprocessing of the impounded mill tailings from the Acupan mines for recovery of residual gold. In November 2011, the transfer of the MPP was approved by the DENR-MGB.

BGRC continued the activities on expansion and rehabilitation of its penstocks at Tailings Pond Nos. 2 and 3 and earthmoving works on the silt dam at Gold Creek and the Ambalanga River pumping station, and the ridge enhancement works on Tailings Ponds Nos. 2 and 3.

On January 17, 2013, the Company's BOD authorized and approved the deed of exchange between the Company and BGRC covering all of the Company's rights and interest in BTP in exchange of BGRC's shares.

Following the expiration of MPP No. 13-2010-CAR, BGRC reconveyed to the Company on March 16, 2016 and this was approved by the DENR-MGB on May 31, 2016.

Antamok Tailings Project (ATP)
The ATP, which targeted the BAGO mill tailings pond, was conceived as a possible additional resource that could be developed similar to the Balatoc Tailings Project. The BAGO tailings pond, located a few hundred meters downstream from the BAGO open pit mine, contains some 7.64 million tons of tailings produced from the BAGO milling operations. In addition, a considerable tonnage of extraneous materials, estimated at about 1.95 million tons washed from the BAGO pit over the years from the Otek marginal grade material dump and from the numerous illegal miners' workings, found its way into the pond and is now resting on top of the tailings deposit. A preliminary sampling of these extraneous materials showed that these can be considered for exploitation together with the original tailings in the pond. More core drilling, however, may be required to firm up the resource estimate of these impounded materials.

The Company has approved an initial ₱7.50 million research fund for the ATP for the feasibility study on the reprocessing. The Company is conducting a feasibility study on the reprocessing of tailings from the BAGO, which are impounded in the tailings pond downstream of the old BAGO mill. The initial drilling conducted to test the impounded materials indicates a grade of 4.0 grams of gold per ton.

As at December 31, 2023, the Company intends to transfer to Benguet-Pantukan Gold Corporation (BPGC), a wholly owned subsidiary of the Company through Benguet Management Corporation (BMC), the planned ATP.

Surigao Coal Prospect (SCP)
Pre-development activities for the SCP were put on hold in 2011 due to DENR Circular Executive Order (EO) 23, series of 2011, which declares a moratorium on the cutting of timber in the natural and residual forests. The City Environment and Natural Resources Office of the Municipality of Lianga denied the Company's request for a tree inventory, which is preparatory to the application for a cutting permit. The decision was reversed in January 2012 after the issuance of a memorandum from the Executive Secretary, which exempted exploration and mining activities from the said EO. The Company is in the process of completing the

requirements to secure permits for the development of the project. A preliminary hydrology study was done at the nearby Hubo river's water source to assess if the volume capacity of the river system can support a hydro plant, which will complement the Coal Power Plant Study. The Company's application for new Coal Operating Contract (CoC) with the Department of Energy can now proceed with the submission of Certificate of No Mining Ban from the provincial Local Government Unit (LGU).

Ampucao Copper-Gold Prospect (Ampucao Prospect)
The Ampucao Prospect is partly located inside the contract claims of Pugo Mining Company in the southern part of Benguet's Acupan gold mine. The initial exploration work conducted by the Company's geologists indicates a porphyry copper-gold mineralization hosted in diorite below the 2000 level. Two test holes have been programmed to be drilled within the area but have been put on-hold pending the approval of the Exploration Permit Application (EXPA).

Pantingan Gold Prospect (PGP)
The PGP in Balanga, Bataan consists of 1,410 hectares covered by MPSA No. 154-2000-III. The property is under an operating agreement with Option to Purchase, with Balanga Bataan Minerals Corporation, signed in March 1996. Surface mineralization consists of quartz and clay veins, ranging from 0.70 meters to 10 meters wide, with values as much as 1.0 gram of gold and 9.60 grams of silver. The Company has implemented drilling programs in the property starting in 2020 and will continue to do so until 2024.

Recent geological works in the Pantingan property have also led to the identification of two parcels composed of Block-1 and Block-3 area located inside the mineral tenement hosting high quality mountain rock deposits with favorable potential for rock aggregates. The potential rock formations are composed of consolidated volcanic conglomerate and massive andesite units based on their actual ground analysis.

The second phase drilling works on the Pantingan Gold Prospect has been completed and core samples were sent for the analysis. The Phase two drilling works targetted the lateral and vertical continuations of the V9SL and V2SL. On the aggregates prospect, the Parent Company continues to do topographical/road surveys and apply for permits including for road-right-of-way in the 40-hectares Quarry Permit Area (QPA) outside the MPSA. The large-scale quarry in PAB-1 and 2 within the MPSA still needs drilling for Declaration of Mining Project Feasibility (DMPF). The MGB has issued area clearance in the QPA, and the Parent Company is working on LGU consent, tree inventory, NCIP certification, and ECC process.

The third phase drilling works has started following MGB's approval of the Fourth Exploration Program (EP), which is equivalent to two (2) years period. It is currently soliciting drilling proposals from various contractors. Output of the work program will be a Pre-Feasibility Study. Preparation is also underway for the renewal of the MPSA application (of the property in 2024) such as geological report, topographic survey of tenement, environmental and social compliances, among other requirements.
On the aggregates, the Company continues to apply for permits including the road-right-of-way in the 40-heactares Quarry Permit Area (QPA) outside MPSA. As of March 22, 2024, the Company is applying for permits on six additional Quarry Permit Application (QPA) blocks which are nearer to the proposed hauling road. These include Environmental Compliance Certificate (ECC), Free Prior and Informed Consent (FPIC) from Indigenous People, Tree Cutting Permit and local government unit clearances.

Zamboanga Gold Prospect (ZGP)
The ZGP in R.T. Lim, Zamboanga Sibugay consists of 340.3 hectares of land area and is under an operating agreement with Oreline Mining Corporation (OMC). A drilling program to evaluate the gold potential of the main structure at depth has been put on-hold pending the resolution of the permit. The APSA which was denied on May 12, 2010 and subject of an appeal filed on January 30, 2013, was reinstated by the DENR November 4, 2020. It has since converted to EXPA.

The Company has obtained the consent of OMC, the claimowner, for the proposed Minahang Bayan arrangement where the small-scale miners cooperative will be allowed to continue with their livelihood activities under a regulated system, subject to the conditions that the Company can conduct exploration/drilling works in San Fernandino vein area and will be assisted in securing Free, Prior and Informed Consent (FPIC) from the Indigenous People. Duration of Minahang Bayan is until the Company is ready to start large scale mining.

Financial and Technical Assistance Agreement (FTAA) Application
The Company and its subsidiary, Sagittarius Alpha Realty Corporation (SARC) have two pending FTAA applications consisting of land area totaling 72,806,291 hectares. The Company's FTAA application in Ilocos Norte (denominated as AFTA-003-I) and Apayao (denominated as AFTA No. 00033-CAR) are undergoing Free, Prior and Informed consent requirement through the Regional Office of the National Commission of Indigenous Peoples. Exploration work for the two areas will be undertaken as soon as the applications have been approved by the Philippine government.

c. Water Projects
Baguio City Bulk Water Supply Project (BCBWSP)
On August 16, 2005, the BOD of the Baguio Water District (BWD) issued to the Company a Notice of Award covering the BCBWSP. The Company's proposal is to convert its mined-out 440 Vein Open Pit into a water reservoir with the capability of supplying, at least, 50,000 cubic meters of potable water per day to Baguio City.

On September 7, 2007, the BWD issued Board Resolution Number 30-2007, which resolved to terminate the bulk water supply contract negotiation and to scrap the project. The resolution cited grounds such as the irreconcilable differences of the parties on the contract provisions of parametric formula and rate rebasing, among others. On these issues, the BWD is concerned with the affordability and acceptability of the water tariff to the end-consumers. On the other hand, the Company raised a concern on the delay in implementation and its effect on the viability of the project as justification for the contract provisions. The Company has likewise requested the BWD to conduct a public hearing on these issues, which the BWD has deemed premature. The Company filed a request for reconsideration on September 13, 2007.

On November 29, 2007, the BWD issued a Board Resolution denying the Company's request for reconsideration. The Company then filed a case against BWD with the Regional Trial Court.

In 2019, pursuant to a Memorandum of Agreement with Manila Water Company, Inc. (MWCI) regarding the assignment of water rights in Laboy River in connection with MWCI's bulk water supply proposal to Baguio City, the Company has withdrawn the case for specific performance against BWD without prejudice to filing of a new case for recovery of cost and damages due to the aborted bidding award.

d. Land Development Projects
Kelly Special Economic Zone (KSEZ)
The Company has approved an initial budget of ₱4.90 million for the feasibility study covering the KSEZ and the potential of other real estate properties of the Company. The Company plans to transfer the said properties to BC Property Management, Inc. (BCPMI), a wholly owned subsidiary of BMC. The capital expenditures related to the implementation of the project will then be infused as equity of the Company in BCPMI. As at March 22, 2024, the said project has not yet materialized.

Authorization for the Issuance of the Parent Company Financial Statements
The parent company financial statements as at and for the years ended December 31, 2023 and 2022 were authorized for issuance by the BOD on March 22, 2024.

2. **Summary of Material Accounting Policies**

Basis of Preparation
The parent company financial statements have been prepared on a historical cost basis, except for land classified as property, plant and equipment which has been measured at revalued amount, and financial assets at fair value through profit or loss (FVPL), financial assets at fair value through other comprehensive income (FVOCI) and investment properties, which have been measured at fair value. The parent company financial statements are presented in Philippine peso, which is the Company's functional and presentation currency. All amounts are rounded to the nearest thousands (₱000), except as otherwise indicated.

Statement of Compliance
The parent company financial statements have been prepared in accordance with Philippine Financial Reporting Standard (PFRSs).

New Standards, Interpretations and Amendments
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2023. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the parent company financial statements of the Company:

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments to the Practice Statement provide non-mandatory guidance. The Company has removed accounting policy disclosures which were assessed as not material.

- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

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

Effective beginning on or after January 1, 2024
- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025
- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

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

<u>Financial Instruments</u>
Financial Assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, FVOCI, and FVPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at 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 which the Company has applied the practical expedient are measured at transaction price determined under PFRS 15.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion). This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. 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 FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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

- *Financial assets at amortized cost (debt instruments)*
  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 Company statement of income when the asset is derecognized, modified or impaired.

  The Company's financial assets at amortized cost include cash and cash equivalents, trade and other receivables (excluding advances to officers and employees), short- term investments and refundable deposits which are included under "Other current assets" and "Other noncurrent assets", respectively in the parent company statements of financial position, and amounts owed by related parties (see Notes 4, 5, 8, and 24).

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

  The Company's financial assets at FVPL include its investments in unit investment trust fund (UITF) (see Note 7).

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

  The Company's financial assets at FVOCI include investment in quoted shares which is included under "Other Noncurrent assets" in the parent company statements of financial position (see Note 12).

Impairment
The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. 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.

For cash and cash equivalents, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses publicly available ratings to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

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

For amounts owed by related parties, other receivables, and refundable deposits, the Company calculates ECLs at initial recognition by considering the consequences and probabilities of possible defaults only for the next 12 months, rather than the life of the asset. It continues to apply this method until a significant increase in credit risk has occurred, at which point the loss allowance is measured based on lifetime ECLs.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Company's investment grade criteria are considered to have a low credit risk. The provision for credit losses for these financial assets is based on a 12-month ECL. The low credit risk exemption has been applied on debt investments that meet the investment grade criteria of the Company from the time of origination.

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

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities

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

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

Subsequent Measurement - Financial liabilities at amortized cost (loans and borrowings)
After initial measurement, interest-bearing loans, non-interest-bearing liabilities and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the parent company statement of income when the liabilities are derecognized as well as through the EIR amortization process.

The Company's financial liabilities include trade and other payables (excluding payables to government agencies), loans payable, lease liabilities, amounts owed to related parties, and other noncurrent liability (see Notes 13, 14, 15, 24 and 31).

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

Inventories
Inventories are valued at the lower of cost or net realizable value (NRV). Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Materials and supplies	-	at purchase price less purchase discount, returns and rebates on a first-in, first-out method
Quicklime and slaked lime	-	at cost on a moving average production method
Gold buttons	-	at cost on a moving average production method

NRV for materials and supplies represents the current replacement cost. NRV of gold buttons is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

Value Added Tax (VAT)
Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

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

Investments in Subsidiaries
The investment in subsidiaries is carried in the parent company statement of financial position at cost less any impairment in value. Dividends received are recognized as income.

Property, Plant and Equipment
Property, plant and equipment, except land, are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation, depletion and amortization and accumulated impairment in value. Such cost includes the cost of replacing part of such property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of property, plant and equipment are to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the parent company statement of income as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Construction in progress (CIP) is stated at cost. This includes costs of construction and other direct costs related to the asset being constructed. CIP is not depreciated until such time that the relevant asset is completed, transferred to the appropriate account and put into operational use.

Land is carried at revalued amount less any impairment in value. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

The increment from valuation of land, net of deferred tax liability, resulting from the revaluation of land is credited to revaluation increment on land under the other components of equity caption included in the equity section in the parent company statement of financial position. However, to the extent that it reverses a revaluation deficit of the same asset previously recognized in the parent company statement of income, the increase is recognized in parent company statement of income. A revaluation deficit is recognized in the parent company statement of income, except to the extent that it offsets an existing surplus on the same asset recognized in the revaluation increment. Upon derecognition of the revalued property, the relevant portion of the revaluation increment realized in respect of previous valuations is released from the revaluation increment directly to retained earnings.

Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the assets as follows:

Category	Number of years
Land improvements	10-25
Buildings	10-20
Machinery, tools and equipment	2-15

Depreciation 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 matter intended by management. Depreciation, depletion and amortization ceases at the earlier of the date that the item is classified as held for sale (or included in a disposal Company that is classified as held for sale) in accordance with PFRS 5 and the date the asset is derecognized.

The useful lives and depreciation methods are reviewed periodically to ensure that the periods and methods of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Right-of-Use Assets
The Company 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 Company 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, as follows:

Right-of-use asset	Number of years
Land	15-25
Office space	3-8
Machinery, tools and equipment	2

Right-of-use assets are subject to impairment.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. 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 parent company statement of income in the year the asset is derecognized.

Fully depreciated assets are retained in the accounts until these are no longer in use. No further depreciation is charged to current operation for these items.

Mine and Mining Properties
Capitalized expenditure is assessed for impairment and is transferred from deferred exploration costs to mine development costs when it has been established that a mineral deposit is commercially mineable, development sanctioned, and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit).

After transfer of the deferred exploration costs, all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalized in mine development costs. Development expenditure is net of proceeds from the sale of ore extracted during the development phase to the extent that it is considered integral to the development of the mine. Any costs incurred in testing the assets to determine if they are functioning as intended, are capitalized, net of any proceeds received from selling any product while testing. Where these proceeds exceed the cost of testing, any excess is recognized in the parent company statement of income.

No depletion is charged during the mine exploration or development phases.

When the Company has already achieved commercial levels of production, mine development costs are moved to mine and mining properties. Commercial production is deemed to have commenced when management determines that the completion of operational commissioning of major mine and plant components is completed, operating results are being achieved consistently for a period of time and that there are indicators that these operating results will be continued.

The carrying value of mine and mining properties represents total expenditures incurred to date on the area of interest, less accumulated depletion and any impairment.

When a mine construction project moves into the production phase, the capitalization of certain mine construction costs ceases, and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalization relating to mining asset additions, improvements or new developments, underground mine development or mineable reserve development.

Mine and mining properties are subject to depletion, which is computed using the units-of production method based on the economically recoverable reserves. Mine and mining properties include the initial estimate of provision for mine rehabilitation and decommissioning, for which the Company is constructively liable.

Investment Properties
Investment properties consist of assets that are held for rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are recognized in the parent company statements of income in the year in which they arise, including the corresponding tax effect. Fair values are determined based on the revaluation performed by an accredited external independent appraiser.

Investment properties are derecognized either when they have been disposed of, or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the parent company statements of income in the period of derecognition.

Transfers are made to or from investment properties only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with PAS 16, *Property, Plant and Equipment* up to the date of change in use.

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

Exploration and evaluation activity include:
- 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 profit or loss as incurred, unless the Company 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.

Impairment of Nonfinancial Assets
The Company assesses, at the end of each reporting period, whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset

is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the parent company statements of income in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

For the other assets, an assessment is made at each end of the reporting period to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, depletion or amortization, had no impairment loss been recognized for that asset in prior years. Such reversal is recognized in the parent company statements of income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase.

Deferred Mine Exploration Costs
The Company 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 Company considers in determining whether there is impairment on deferred mine exploration costs:

- the period for which the Company 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, and
- 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 of 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 parent company statements of income.

Provisions

General

Provisions are recognized when the Company 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 discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as interest expense in the parent company statements of income.

When the Company expects some or all of the provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the parent company statements of income, net of any reimbursement.

Liability for Mine Rehabilitation

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

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

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

Pension and Other Post-employment Benefits
The Company has noncontributory, defined benefit pension plan, covering all permanent, regular and full-time employees.

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

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

Remeasurements, comprising of actuarial gains or losses, the effect of the ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in the net interest on the net defined benefit liability), are recognized immediately in the parent company statements of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which these occur. Remeasurements are not reclassified to parent company statement of income in subsequent periods.

Past services costs are recognized in the parent company statement of income on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation under costs of mine products sold, costs of services and selling and general expenses in the parent company statement of income:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

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

Share-based Payment Transactions
Employees (including senior executives) of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

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

That cost is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the parent company statement of income for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits.

No expense is recognized for awards that do not ultimately vest, except for equity settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense computed based on the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the Company or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the parent company statement of income.

When the terms of an equity-settled award are 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. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Where an equity-settled award expires or is cancelled, its cost is transferred to additional paid-in capital.

Forfeitures revise the expense to reflect the best available estimate of the number of equity instruments expected to vest.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Foreign Currency-denominated Transactions and Translations

Transactions in foreign currencies are initially recorded by the Company using the functional currency exchange rate at the date of the transaction. 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 parent company statement of income with the exception of monetary items that are designated as part of the hedge of the Company's net investment of foreign operation. These are recognized in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to the parent company statements of income. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

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. The gain or loss on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or parent company statement of income are also recognized in OCI or parent company statement of income, respectively).

Income Taxes

Current Tax

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

Current income tax relating to items recognized directly in equity is recognized in equity and not in the parent company statements of income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

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

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary differences can be utilized.

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

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

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

Capital Stock and Capital Surplus

Common and preferred shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from proceeds. The excess of proceeds from issuance of shares over the par value of shares less any incremental costs directly attributable to the issuance, net of tax, is credited to capital surplus.

Revenue Recognition
The Company is principally engaged in the business of producing gold and limes. 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 Company expects to be entitled in exchange for those goods or services.

The Company has generally concluded that it is the principal in its revenue contracts because it typically controls the goods or services before transferring them to the customer.

Sale of Mine Products
Revenue from sale of mine products is recognized at the point in time when the control of the asset is transferred to the customer which is normally at the time of shipment, and the selling prices are known or can be reasonably estimated. Revenue from sale of gold is measured at the prevailing international gold buying price and prevailing Philippine peso to United States dollar buying rate set by the BSP Treasury department on a daily basis and is recognized based on the initial weight and assay tests, which represent the best estimate. Subsequent adjustments to revenue due to quantity and/or quality changes are recognized upon determination of the final weight and assay tests.

BSP Refining Charges
BSP refining charges are deducted from revenue to arrive at revenue from contracts with customers since BSP refining charges are necessary expenses by BSP in determining the final gold content.

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

Events After the Reporting Period
Events after the end of the reporting period up to the auditor's report that provide additional information about the Company's position at the reporting period (adjusting events) are reflected in the financial statements. Events after the end of the reporting period up to the auditor's report that are not adjusting events are disclosed in the notes to financial statements when material.

3. **Summary of Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the parent company financial statements in accordance with PFRSs requires the Company to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from such estimates.

Judgments
In the process of applying the Company's accounting policies, management has made the judgment below, apart from those involving estimations, that have the most significant effect on the amounts recognized in the parent company financial statements.

Assessing Provisions and Contingencies
The Company is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the Company's defense in these matters and is based upon an analysis of potential results. The Company currently assessed that these proceedings will not have a material adverse effect on its financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (see Note 33).

Distinction between Investment Property and Owner-Occupied Property
The Company determines whether a property qualifies as investment property. In making its judgment, the Company considers whether the property is not occupied substantially for use by, or in operations of the Company, not for sale in the ordinary course of business, but is held primarily to earn rental income or capital appreciation. Owner-occupied properties generate cash flows that are attributable not only to the property but also to the other assets used in the production or supply.

Assessing Recoverability of Deferred Mine Exploration Costs
The Company reviews the recoverability of deferred mine exploration costs when events or changes in circumstances indicate that the carrying amount of deferred mine exploration costs may exceed its estimated recoverable amount. The Company considers the following factors, among others, in its assessment:

- Status of each mine exploration project and plans on exploration and evaluation activities
- Validity of the licenses, permits and correspondences related to each mine exploration project
- Plans to abandon existing mine areas and plans to discontinue exploration activities
- Availability of information suggesting that the recovery of expenditure is unlikely

The Company's ability to realize its deferred exploration costs depends on the success of exploration and development work in proving the viability of its mining properties to produce minerals in commercial quantities, and the success of converting the Group's exploration permits to new mineral agreements, which cannot be determined at this time. The parent company financial statements do not include any adjustment that might result from these uncertainties.

As at December 31, 2023 and 2022, deferred mine exploration costs amounted to ₱449.04 million and ₱421.79 million, respectively (see Note 11).

Estimates and Assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year, are discussed below. The Company based its assumptions and estimates on parameters available when the parent company financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when these occur.

Provision for Expected Credit Losses on Trade and Other Receivables, Amounts owed by related parties, and Refundable Deposits under "Other Noncurrent Assets"
The Company uses the simplified approach in the assessment of the ECL of its trade receivables and general approach for its other receivables, amounts owed by related parties, and refundable deposits under "other noncurrent assets". An assessment of the ECL relating to these financial assets is undertaken upon initial recognition and each financial year and involves exercise of significant judgment. Key areas of judgment include defining default, determining assumptions to be used such

as timing and amounts of expected net recoveries from defaulted accounts, determining debtor's capacity to pay, and incorporating forward looking information.

The carrying amount of trade receivables, amounts owed by related parties, and refundable deposits under "Other Noncurrent assets" amounted to ₱669.61 million and ₱595.34 million, net of allowance for ECL of ₱175.68 million and ₱175.87 million, as at December 31, 2023 and 2022, respectively (see Notes 5, 8, 12, and 24).

Assessing Impairment of Input VAT under Other Current Assets and Advances to Suppliers and Contractors under Other Noncurrent Assets

The Company provides allowance for impairment losses on input VAT under other current assets and advances to suppliers and contractors under "Other noncurrent assets" when these can no longer be realized. The amounts and timing of recorded expenses for any period would differ if the Company made different judgments or utilized different estimates. An increase in allowance for probable loss would increase recorded expenses and decrease other current and noncurrent assets.

No provision for impairment losses was recognized in 2023 and 2022.

The total carrying value of input VAT under other current assets and advances to suppliers and contractors under noncurrent assets amounted to ₱309.73 million and ₱351.08 million as at December 31, 2023 and 2022, respectively (see Notes 8 and 12).

Estimating Ore Reserves

Ore reserves estimates are, to a large extent, based on the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies. The Company estimates its ore reserves based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore body, and requires complex geological judgments to interpret the data. The Company also makes estimates and assumptions regarding a number of economic and technical factors affecting ore reserves estimates, such as production rates, grades, foreign exchange rates, production and transport costs, and commodity prices.

These geological, economic and technical estimates and assumptions may change in the future in ways, which can affect the quality and quantity of the ore reserves. The Company reviews and updates estimates as required, but at least annually, to reflect actual production, new exploration data or developments and changes in other assumptions or parameters. These estimates will change from time to time to reflect mining activities, analyses of new engineering and geological data, changes in ore reserve and mineral resource holdings, modifications of mining plans or methods, changes gold prices or production costs, and other factors.

Changes in the ore reserves estimates may impact the carrying values of property, plant and equipment, provision for mine rehabilitation and decommissioning, recognition of deferred tax assets and depreciation and depletion charges.

As at December 31, 2023 and 2022, carrying values of mine and mining properties amounted to ₱414.15 million and ₱394.20 million, respectively (see Note 10). Depletion charges recognized amounted to ₱11.20 million and ₱16.31 million in 2023 and 2022, respectively (see Note 10).

As at December 31, 2023 and 2022, liability for mine rehabilitation amounted to ₱39.07 million and ₱37.71 million, respectively (see Note 16).

Estimating Recoverability of Property, Plant and Equipment
The Company assesses impairment on property, plant and equipment whenever events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:
- Significant underperformance relative to expected historical or projected future operating results
- Significant changes in the manner of use of the acquired assets or the strategy for overall business, and
- Significant negative industry or economic trends

In determining the present value of estimated future cash flows expected to be generated from the continued use of the property, plant and equipment, the Company is required to make estimates and assumptions such as commodity prices (considering current and historical prices, price trends and related factors), discount rates and foreign currency exchange rates, operating costs, future production levels and costs. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets. In such circumstances, some or all of the carrying amount of the assets may be further impaired or the impairment charge reduced with the impact recognized in the parent company statement of income.

The Company did not recognize any impairment loss in 2023 and 2022 on property, plant and equipment.

As at December 31, 2023 and 2022, property, plant and equipment at cost amounted to ₱444.38 million and ₱424.29 million, respectively (see Note 10).

Revaluation of Property, Plant and Equipment and Investment Properties
The Company carries its investment properties at fair value, with changes in fair value being recognized in the parent company statements of income. In addition, it measures its land under property, plant and equipment at revalued amounts, with changes in fair value being recognized in the OCI. The land and investment properties were valued using the sales comparison approach. The determination of the fair values of these properties involves significant management judgment and estimations. The valuation also requires the assistance of external appraisers whose calculations also depend on certain assumptions, such as sales and listing of comparable properties registered within the vicinity and adjustments to sales price based on internal and external factors.

As at December 31, 2023 and 2022, the total fair value of the Company's land under property, plant and equipment, and investment properties amounted to ₱4,128.18 million and ₱4,494.15 million, respectively (see Notes 10 and 32).

Estimating Allowance for Inventory Obsolescence
The Company maintains an allowance for inventory losses at a level considered adequate to reflect the excess of cost of inventories over their NRV. NRV of inventories are assessed regularly based on prevailing estimated selling prices of inventories and the corresponding cost of disposal. Decrease in the NRV of inventories resulting in an amount lower than the original acquisition cost is accounted for as an impairment loss that is recognized in profit or loss.

As at December 31, 2023 and 2022, the carrying value of inventories amounted to ₱52.17 million and ₱56.01 million, respectively (see Note 6).

Unit-of-production (UOP) depreciation
Estimated economically recoverable reserves are used in determining the depreciation and/or amortization of mine-specific assets. This results in a depreciation/amortization charge proportional to the depletion of the anticipated remaining life-of-mine production. The life of each item, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation/amortization could be impacted to the extent that actual production in the future is different from current forecast production based on economically recoverable reserves, or if future capital expenditure estimates change. Changes to economically recoverable reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- The effect on economically recoverable reserves of differences between actual commodity prices and commodity price assumptions
- Unforeseen operational issues

Changes in estimates are accounted for prospectively.

As at December 31, 2023 and 2022, the carrying amount of mine and mining properties amounted to ₱379.55 million and ₱329.22 million, respectively. Carrying amount of mine rehabilitation asset amounted to ₱34.60 million and ₱41.06 million as of December 31, 2023 and 2022, respectively. Carrying amount of mine development cost amounted to ₱23.93 million and nil as of December 31, 2023 and 2022, respectively (see Note 10).

Leases – Estimating the incremental borrowing rate
The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

The Company's lease liabilities amounted to ₱5.27 million and ₱4.71 million as at December 31, 2023 and 2022, respectively (see Note 31).

Estimating Liability for Mine Rehabilitation
The Company estimates the costs of mine rehabilitation based on previous experience in rehabilitating fully mined areas in sections of the mine site. These costs are adjusted for inflation factor based on the average annual inflation rate as of adoption date or re-evaluation of the asset dismantlement, removal or restoration costs. Such adjusted costs are then measured at present value using the market interest rate for a comparable instrument adjusted for the Company's credit standing. While management believes that its assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in the assumptions may materially affect the Company's liability for mine rehabilitation.

Liability for mine rehabilitation amounted to ₱39.07 million and ₱37.71 million as at December 31, 2023 and 2022, respectively (see Note 16).

Estimating Pension Benefits
The cost of defined benefit pension plans as well as the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the specific country.

Further details about the assumptions used are provided in Note 26.

Net pension liability amounted to ₱54.56 million and ₱53.02 million as at December 31, 2023 and 2022, respectively (see Note 26).

Assessing Realizability of Deferred Tax Assets
The Company reviews the carrying amounts of the deferred tax assets at each end of the reporting date and reduces deferred tax assets to the extent that it is probable that sufficient future taxable profits will be available against which these can be utilized. Management believes that there is no assurance that the Company will generate sufficient taxable profit to allow all or part of its deferred tax assets to be utilized.

The Company recognized deferred tax assets amounting to ₱83.27 million and ₱80.63 million as at December 31, 2023 and 2022, respectively (see Note 27).

The Company did not recognize deferred tax assets on deductible temporary differences totaling ₱326.88 million and ₱333.15 million as at December 31, 2023 and 2022, respectively (see Note 27).

4. Cash and Cash Equivalents

	2023	2022
Cash on hand	**₱470**	₱444
Cash in banks	**141,698**	156,889
Cash equivalents	**84,929**	145
	₱227,097	₱157,478

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

Interest income pertaining to cash in banks and cash equivalents totaled to ₱1.73 million and ₱0.28 million in 2023 and 2022, respectively (see Note 23).

5. **Trade and Other Receivables**

	2023	2022
Trade receivables		
External	**₱29,979**	₱19,445
Related parties (Note 24)	**33,491**	14,230
Nontrade	**219,784**	175,809
Advances to officers and employees	**108,189**	82,177
Employee stock ownership incentive plan (ESOIP) (Note 25)	**58,415**	58,415
Receivables from lessees of bunkhouses	**9,648**	3,855
Others	**281**	3,800
	459,787	357,731
Less allowance for ECLs	**64,535**	64,719
	₱395,252	₱293,012

Trade and nontrade receivables, and receivables from lessees of bunkhouses are noninterest-bearing and are generally collectible within a period of one year. Advances to officers and employees pertain to cash advances used in the operations which are generally subject to liquidation.

Other receivables comprise mainly of receivables that are considered to be individually insignificant.

Movements of allowance for ECLs on trade and other receivables are as follows:

	2023			
	Trade receivables	**Receivables from lessees of bunkhouses**	**ESOIP**	**Total**
Balances at beginning of year	**₱2,448**	**₱3,855**	**₱58,416**	**₱64,719**
Reversal (Note 21)	**(184)**	–	–	**(184)**
Balances at end of the year	**₱2,264**	**₱3,855**	**₱58,416**	**₱64,535**

	2022			
	Trade receivables	Receivables from lessees of bunkhouses	ESOIP	Total
Balances at beginning of year	₱2,383	₱3,689	₱58,416	₱64,488
Provisions (Note 23)	65	166	–	231
Balances at end of the year	₱2,448	₱3,855	₱58,416	₱64,719

Except for those impaired accounts, the Company assessed trade and other receivables as collectible and in good standing.

6. Inventories

	2023	2022
At cost:		
Quicklime and slaked lime	**₱8,850**	₱1,955
Gold button	**–**	3,566
	8,850	5,521
At NRV:		
Materials and supplies	**199,931**	207,104
Less allowance for impairment losses on materials and supplies	**(156,613)**	(156,613)
	43,318	50,491
	₱52,168	₱56,012

The gold button inventory represents gold and silver by-product produced by the Company in 2023 and 2022. These mineral products were immediately sold the following year. The gold buttons include depreciation and depletion related to the production of gold amounting to nil and ₱0.05 million in 2023 and 2022, respectively (see Note 20).

Movements of allowance for impairment losses on inventories are as follows:

	2023	2022
Balance at beginning of the year	**₱156,613**	₱175,502
Reversal (Note 23)	**–**	(18,889)
Balance at end of the year	**₱156,613**	₱156,613

Materials and supplies charged to current operations amounted to ₱149.51 million and ₱204.63 million and in 2023 and 2022, respectively (see Notes 20 and 21).

The Company has no inventories pledged as security for liabilities nor any purchase commitments related to inventories as at December 31, 2023 and 2022.

7. Financial Assets at FVPL

The Company's financial assets at FVPL are investments in unit investment trust funds (UITF), which are carried at fair value based on published net asset value per unit or the price per unit of the UITF.

Movements in financial assets at FVPL in 2023 and 2022 are as follows:

	2023	2022
Beginning balance	**₱798**	₱60,108
Additions	**20,005**	–
Disposals	**–**	(60,288)
Changes in fair value	**638**	978
Ending balance	**₱21,441**	₱798

Movements in cumulative gains from change in fair value are as follows:

	2023	2022
Beginning balance	**₱–**	₱92
Changes in fair value	**638**	978
Disposals	**–**	(1,070)
Ending balance	**₱638**	₱–

8. Other Current Assets

	2023	2022
Input VAT – net	**₱52,585**	₱105,047
CWTs	**65,515**	66,750
Prepaid expenses	**580**	2,760
Short-term investments	**24,280**	–
Others	**3,933**	10,424
	₱146,893	₱184,981

In 2023, the Company have short-term investments with principal amount of ₱3,000,000 and ₱10,000,000 with 365-days term having 4.8% and 5.5% gross rate. Interest income pertaining short-term investments totaled to ₱2.06 million and nil in 2023 and 2022, respectively (see Note 23).

9. Investments in Subsidiaries

The Company holds investments in subsidiaries that are all incorporated in the Philippines and are engaged in the business related to exploration and development, management services, health services and real estate holding.

The following are the subsidiaries of the Company as at December 31, 2023 and 2022:

	Nature of business	Country of incorporation	Effective percentage of ownership
BRMC	Exploration and development	Philippines	100.00
BMC	Foundry	Philippines	100.00
Agua de Oro Ventures Corporation (ADOVC)	Selling of treated and untreated water	Philippines	100.00
BC Property Management Inc. (BCPMI)	Management services	Philippines	100.00
Benguetcorp International Limited (BIL)	Holding company	Hong Kong	100.00
Benguetcorp Laboratories, Inc. (BLI)	Health services	Philippines	100.00
Berec Land Resources Inc. (BLRI)	Exploration and development	Philippines	100.00
Benguetcorp Construction and Development Corporation (BCDC))	Real estate holding	Philippines	100.00
SARC	Exploration and development	Philippines	100.00
Ifaratoc Mineral Resources Corporation (IMRC)	Logistics	Philippines	100.00
Keysotne Port Logistics and Management Services Corporation (KPLSMC)	Exploration and development	Philippines	100.00
Acupan Gold Mines Inc. (AGMI)	Professional services	Philippines	100.00
Pillars of Exemplary Consultants, Inc. (PECI)	Professional services	Philippines	100.00

The details of investments in subsidiaries as at December 31, 2023 and 2022 are as follows:

	2023	2022
Acquisition cost of investments:		
BRMC	**₱1,250,000**	₱1,250,000
BMC	**600,000**	600,000
ADOVC	**262,996**	–
BCPMI	**143,071**	–
BIL	**115,565**	115,565
BLI	**56,889**	56,889
BLRI	**39,463**	39,463
BCDC	**14,375**	2,500
SARC	**7,046**	7,046
IMRC	**2,500**	2,500
KPLMSC	**2,500**	2,500
AGMI	**2,500**	2,500
PECI	**1,130**	1,130
	2,498,035	2,080,093
Less allowance for impairment losses	**3,630**	3,630
	₱2,494,405	₱2,076,463

BMC was organized primarily to invest in projects and enterprises that diversify, stabilize and strengthen the investment portfolio of the Benguet Group. As at December 31, 2023 and 2022, BIL, BCDC, AGMI, which were established to operate mining prospects, are still pre-operating.

Movement of investment in subsidiaries are as follows:

	2023	2022
Beginning balance	**₱2,080,093**	₱2,080,093
Additions	**417,942**	–
Ending balance	**2,498,035**	2,080,093
Less allowance for impairment losses	**3,630**	3,630
	₱2,494,405	₱2,076,463

In 2023, the Company had additional investments in ADOVC and BCPMI amounting to ₱263 million and ₱143.07 million, respectively, in exchange for land (see Note 32).

In 2023, the Company has additional investments in BCDC amounting to ₱11.88 million in exchange of cash.

On March 29, 2022, BRMC declared cash dividends amounting to ₱500 million. These cash dividends were paid on eight (8) equal installments amounting to ₱62.50 million starting May 2022 to December 2022.

On March 28, 2023, BRMC declared cash dividends amounting to ₱500 million. These cash dividends were paid in eight (8) equal installments amounting to ₱62.50 million starting May 2023 to December 2023.

On March 29, 2023, KPLMSC declared cash dividends amounting to ₱18.33 million. These cash dividends were paid in two (2) equal installments amounting to ₱9.17 million in May 2023 and June 2023.

No movement in allowance for impairment losses on investments in subsidiaries in 2023 and 2022.

10. **Property, Plant and Equipment**

a. Land - at revalued amount

Revalued amount of land as at December 31, 2023 and 2022 amounted to ₱1,574.56 million and ₱1,514.33 million, respectively.

The revaluation increment, recognized as a separate component of equity, amounted to ₱1,351.07 million and ₱1,305.90 million as at December 31, 2023 and 2022, and is not available for distribution to stockholders until the related assets are sold.

On February 22, 2024 and January, 16, 2023, the Company engaged Cuervo Appraisers Inc., an independent firm of appraisers, to determine the fair value of the land as at December 31, 2023 and 2022, respectively. The fair value was estimated using the sales comparison approach, which considers the sales of similar or substitute properties and the related market values and establishes value estimates by processes involving comparisons (level 3). In general, a property being valued is compared with sales of similar properties that have been transacted in the open market. Listings and offerings may also be considered. The Company recognized unrealized valuation gain in OCI amounting to ₱60.23 million and ₱26.30 million in 2023 and 2022, respectively.

Movements in the revaluation increment on land shown as part of other components of equity follow:

Balance before the quasi-reorganization	₱1,561,048
Effect of the quasi-reorganization in 2011 (Note 1)	(1,010,848)
Balance after the quasi-reorganization	550,200
Revaluation increment in:	
2011	148,638
2013	85,900
2018	75,716
2019	251,499
2021	174,215
2022	19,727
2023	45,174
Balance as at December 31, 2023	₱1,351,069

b. Property, Plant and Equipment – at cost

	2023					
	Land improvements	**Buildings**	**Machinery, tools and equipment**	**Mine and mining Properties**	**Right-of-use assets**	**Total**
Cost:						
Beginning balances	**₱78,441**	**₱279,040**	**₱747,839**	**₱1,151,755**	**₱8,946**	**₱2,266,021**
Additions	**–**	**502**	**6,157**	**36,352**	**2,052**	**45,063**
Disposal and derecognition	**–**	**–**	**(1,045)**	**–**	**(3,589)**	**(4,634)**
Change in estimate of liability for mine rehabilitation (Note 16)	**–**	**–**	**–**	**(5,202)**	**–**	**(5,202)**
Ending balances	**78,441**	**279,542**	**752,951**	**1,182,905**	**7,409**	**2,301,248**
Accumulated depreciation and depletion:						
Beginning balances	**75,164**	**274,828**	**729,260**	**757,551**	**4,924**	**1,841,727**
Depreciation and depletion (Notes 6, 20 and 21)	**587**	**1,445**	**5,146**	**11,203**	**1,398**	**19,779**
Disposal and derecognition	**–**	**–**	**(1,045)**	**–**	**(3,589)**	**(4,634)**
Ending balances	**75,751**	**276,273**	**733,361**	**768,754**	**2,733**	**1,856,872**
Net book values	**₱2,690**	**₱3,269**	**₱19,590**	**₱414,151**	**₱4,676**	**₱444,376**

	2022					
	Land improvements	Buildings	Machinery, tools and equipment	Mine and mining Properties	Right-of-use assets	Total
Cost:						
Beginning balances	₱78,441	₱279,040	₱743,340	₱1,165,364	₱8,946	₱2,275,131
Additions	–	–	8,315	3,639	–	11,954
Disposal	–	–	(3,816)	–	–	(3,816)
Change in estimate of liability for mine rehabilitation (Note 16)	–	–	–	(17,248)	–	(17,248)
Ending balances	78,441	279,040	747,839	1,151,755	8,946	2,266,021
Accumulated depreciation and depletion:						
Beginning balances	74,721	272,279	719,879	741,244	2,827	1,810,950
Depreciation and depletion (Notes 6, 20 and 21)	443	2,549	13,197	16,307	2,097	34,593
Disposal	–	–	(3,816)	–	–	(3,816)
Ending balances	75,164	274,828	729,260	757,551	4,924	1,841,727
Net book values	₱3,277	₱4,212	₱18,579	₱394,204	₱4,022	₱424,294

The Company's CIP pertains to the development of a continuous mill production line in Balatoc, Benguet to increase the milling capacity of its gold operations.

The cost of fully depreciated property and equipment still being used in the Company's operations amounted to ₱355.39 million and ₱319.83 million as at December 31, 2023 and 2022, respectively.

Components of mine and mining properties are as follows:

	2023			
	Mine and mining properties	**Mine development cost**	**Mine rehabilitation asset**	**Total**
Cost:				
Beginning balances	**₱1,050,030**	**₱23,929**	**₱77,796**	**₱1,151,755**
Additions	**36,352**	**–**	**–**	**36,352**
Reclassification	**23,929**	**(23,929)**	**–**	**–**
Change in estimate (Note 16)	**–**	**–**	**(5,202)**	**(5,202)**
Ending balances	**1,110,311**	**–**	**72,594**	**1,182,905**
Accumulated depletion:				
Beginning balances	**720,812**	**–**	**36,739**	**757,551**
Depletion (Note 20)	**9,949**	**–**	**1,254**	**11,203**
Ending balances	**730,761**	**–**	**37,993**	**768,754**
Net book values	**₱379,550**	**₱–**	**₱34,601**	**₱414,151**

	2022			
	Mine and mining properties	Mine development cost	Mine rehabilitation asset	Total
Cost:				
Beginning balances	₱1,050,030	₱20,290	₱95,044	₱1,165,364
Additions	–	3,639	–	3,639
Change in estimate (Note 16)	–	–	(17,248)	(17,248)
Ending balances	1,050,030	23,929	77,796	1,151,755
Accumulated depletion:				
Beginning balances	706,423	–	34,821	741,244
Depletion (Note 20)	14,389	–	1,918	16,307
Ending balances	720,812	–	36,739	757,551
Net book values	₱329,218	₱23,929	₱41,057	₱394,204

Components of right-of-use-assets are as follows:

	2023			
	Office Space	**Machinery, tools and equipment**	**Land**	**Total**
Cost:				
Beginning balances	**₱3,589**	**₱–**	**₱5,357**	**₱8,946**
Additions	**–**	**2,052**	**–**	**2,052**
Derecognition	**(3,589)**	**–**	**–**	**(3,589)**
Ending balances	**–**	**2,052**	**5,357**	**7,409**
Accumulated depreciation:				
Beginning balances	**2,792**	**–**	**2,132**	**4,924**
Depreciation (Note 31)	**797**	**238**	**363**	**1,398**
Derecognition	**(3,589)**	**–**	**–**	**(3,589)**
Ending balances	**–**	**238**	**2,495**	**2,733**
Net book values	**₱–**	**₱1,814**	**₱2,862**	**₱4,676**

	2022			
	Office Space	Machinery, tools and equipment	Land	Total
Cost at beginning and end of year	₱3,589	₱–	₱5,357	₱8,946
Accumulated depreciation:				
Beginning balances	1,196	–	1,631	2,827
Depreciation (Note 31)	1,596	–	501	2,097
Ending balances	2,792	–	2,132	4,924
Net book values	₱797	₱–	₱3,225	₱4,022

Depreciation and depletion charges were distributed as follows:

	2023	2022
Cost of mine products sold (Note 20)	**₱13,944**	₱28,424
Selling, general and administrative expenses (Note 21)	**5,835**	6,123
Depreciation expense included in gold buttons inventory (Note 6)	**–**	46
	₱19,779	₱34,593

11. Deferred Mine Exploration Costs

Movements in deferred mine exploration costs are as follows:

	2023	2022
Balances at beginning of year	**₱588,776**	₱561,650
Additions	**27,245**	27,126
Balances at end of year	**616,021**	588,776
Less allowance for impairment losses	**166,984**	166,984
	₱449,037	₱421,792

Additions pertain to drilling, hauling, and other ongoing exploration and evaluation activities of the Company.

There was no movement in allowance for impairment losses on deferred mine exploration costs in 2023 and 2022.

12. Other Noncurrent Assets

	2023	2022
Advances to contractors and suppliers	**₱409,036**	₱397,924
Mine rehabilitation funds (MRF)	**46,370**	40,383
Refundable deposits	**9,229**	9,229
Financial assets at FVOCI	**563**	521
	465,198	448,057
Less allowance for impairment losses	**151,892**	151,892
	₱313,306	₱296,165

The Company made advance payments to a supplier of aircraft amounting ₱4.05 million and ₱245.95 million in 2023 and 2022, respectively, bringing the total balance to ₱250.00 million and ₱245.95 million as at December 31, 2023 and 2022, respectively. Meanwhile, the rest of the advances to contractors and supplier are for exploration and other related activities and projects.

MRFs pertain to accounts opened with a local bank in compliance with the requirements of DAO No. 2010-21, otherwise known as 'The Revised Implementing Rules and Regulations of the Philippine Mining Act of 1995'. The MRFs shall be used for physical and social rehabilitation of areas and communities affected by the mine operations, and for research in the social, technical and preventive aspects of the mine's rehabilitation. Interest income pertaining to MRF amounted to ₱0.66 million and nil in 2023 and 2022, respectively (see Note 23).

Refundable deposits pertain to amounts deposited with the Company's power providers and are refundable upon termination of the related service agreements.

There was no movement in allowance for impairment losses on other noncurrent assets in 2023 and 2022.

Financial assets at FVOCI pertain to investments in non-listed and listed shares of stock in the Philippine Stock Exchange, which are carried at fair value based on bid market prices.

Movements in financial assets at FVOCI are as follows:

	2023	2022
Balance at beginning of year	**₱521**	₱473
Unrealized valuation gain	**42**	48
Balance at end of year	**₱563**	₱521

Movements in the unrealized loss on financial assets at FVOCI are as follows:

	2023	2022
Balance at beginning of year	**(₱222)**	(₱270)
Unrealized valuation gain	**42**	48
Balance at end of year	**(₱180)**	(₱222)

13. **Trade and Other Payables**

	2023	2022
Trade payables		
External	**₱29,863**	₱6,287
Related parties (Note 24)	**2,147**	50,697
Nontrade	**53,993**	83,959
Accrued expenses	**53,586**	38,850
Payables to officers and employees	**95**	4,077
Others	**6,465**	6,456
	₱146,149	₱190,326

Trade payables, accrued expenses, and other payables pertain to operating expenses payable to various suppliers and contractors, accrual of professional fees, amounts and other expenses of the Company which are noninterest-bearing and are normally settled in 60 to 90 days terms.

Payables to officers and employees include unclaimed wages, accrued vacation and sick leave credits and accrued payroll, which are payable within 30 days.

Non-trade payables include withholding taxes and other government payables which are normally settled in 30 to 90 days.

14. Loans Payable

	2023	2022
Secured loan	**₱48,368**	₱48,368
Unsecured loan	**36,695**	36,695
Accrued interest and penalties	**242,236**	240,033
	₱327,299	₱325,096

Secured loan
The Company has a secured loan being renegotiated and is undergoing restructuring. Nominal interest rates vary from floating rate of 91-day Philippine PhP T-bill rate for peso loans and 3-month Sterling Overnight Indexed Average (SONIA) for foreign loans, plus margin of 2.5%.

The loan is secured by investment properties with carrying value of ₱2,553.62 million and ₱2,267.79 million as at December 31, 2023 and 2022, respectively.

Unsecured loan
The Company has an unsecured loan from a third party with interest rate of 3% per annum, which is due and demandable.

There were no principal payments for the secured and unsecured loans in 2023.

Accrued interest and penalties represent cumulative interest and default charges as at December 31, 2023 and 2022. Interest expense from the unsecured loan amounted to ₱2.20 million and nil in 2023 and 2022, respectively.

15. Other Noncurrent Liability

Other noncurrent liability pertains to the Company's outstanding liability to CMI, gross of advances, for which discussions are still on-going. The said liability amounted to ₱49.14 million as at December 31, 2023 and 2022 (see Note 1).

16. Liability for Mine Rehabilitation

	2023	2022
Balances at beginning of year	**₱37,712**	₱37,441
Actual rehabilitation costs	**(6,990)**	–
Effect of change in estimate:		
Recognized in profit or loss (Note 23)	**12,826**	16,858
Recognized as adjustment to the mine rehabilitation asset (Note 10)	**(5,202)**	(17,248)
Accretion (Note 23)	**727**	661
Balances at end of year	**39,073**	37,712
Less noncurrent portion	**21,290**	27,225
Current portion	**₱17,783**	₱10,487

This provision is based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability.

In 2022, the revised Antamok Final Mine Rehabilitation and Decommissioning Plan (FMRDP) was endorsed by the MGB-CAR to the Contingent Liability and Rehabilitation Fund Steering Committee (CLRFSC) for approval based on new development, particularly on the actual rehabilitation needs considering the current physical status and condition of the area. The total cost to be incurred over a 4-year period of rehabilitation was reduced from ₱43 million to ₱30 million. The aim of the FMRDP is principally to mitigate environmental risks and provide a sustainable final land use over the area. It includes long-term programs including Minahang Bayan. The Company implemented various activities such as continuous propagation of various seedlings in nurseries and maintenance of its established reforestation areas. During 2023, the Company's additional activities included progressive rehabilitation of waste dumps and other areas of the mine.

The final 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, changes in inflation rates (3.03% in 2023 and 4.34% in 2022) and changes in discount rates (5.43% in 2023 and 4.07% in 2022).

These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation. As a result, there could be significant adjustments to the provision established that could affect future financial results.

The provision at the end of each reporting period represents management best estimate of the present value of the future rehabilitation cost required. This estimate is reviewed regularly to take into account any material changes in the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary decommissioning works required, which will reflect market conditions at the relevant time. The timing of rehabilitation is likely to depend on when the mine ceases to produce at economically viable rates. This, in turn, will depend upon future gold and nickel prices, which are inherently uncertain.

17. Capital Stock

Capital stock as at December 31, 2023 and 2022 follows:

	2023		2022	
	No. of shares	**Amount**	No. of shares	Amount
Authorized				
Convertible Preferred				
Class A – ₱3.43 par value	**19,652,912**	**₱67,500**	19,652,912	₱67,500
Common Class A – ₱1 par value	**430,380,000**	**430,380**	430,380,000	430,380
Common Class B – ₱1 par value	**286,920,000**	**286,920**	286,920,000	286,920
	736,952,912	**₱784,800**	736,952,912	₱784,800
Issued				
Convertible Preferred Class "A"	**217,061**	**₱745**	217,061	₱745
Common Class "A"	**375,430,802**	**375,431**	375,307,052	375,307
Common Class "B"	**248,101,396**	**248,101**	247,963,396	247,963
Total shares issued and subscribed	**623,749,259**	**₱624,277**	623,487,509	₱624,015
Treasury Shares				
Common Class "A"	**310,794**	**₱7,158**	310,794	₱7,158
Common Class "B"	**37,275**	**858**	37,275	858
Total treasury shares	**348,069**	**₱8,016**	348,069	₱8,016
Outstanding				
Convertible Preferred Class "A"	**217,061**	**₱745**	217,061	₱745
Common Class "A"	**375,120,008**	**368,273**	374,996,258	368,149
Common Class "B"	**248,064,121**	**247,243**	247,926,121	247,105
Total outstanding shares	**623,401,190**	**₱616,261**	623,139,440	₱615,999

The amount of unrestricted retained earnings equivalent to the cost of the treasury shares being held shall be restricted from being declared and issued as dividends.

No movement in the Company's authorized and treasury shares in 2023 and 2022. The movement in the Company's issued shares in 2023 and 2022 are as follows:

	2023		
	Balance at beginning of year	**Issuance of shares for stock options exercised (Note 17)**	**Balance at end of year**
Convertible Preferred Class "A"	**217,061**	**–**	**217,061**
Common Class "A"	**375,307,052**	**123,750**	**375,430,802**
Common Class "B"	**247,963,396**	**138,000**	**248,101,396**
	623,487,509	**261,750**	**623,749,259**

	2022		
	Balance at beginning of year	Issuance of shares for stock options exercised (Note 17)	Balance at end of year
Convertible Preferred Class "A"	217,061	–	217,061
Common Class "A"	375,307,052	–	375,307,052
Common Class "B"	247,963,396	–	247,963,396
	623,487,509	–	623,487,509

The two classes of common shares of the Company are identical in all respects, except that ownership of Common Class A shares is restricted to Philippine nationals.

The convertible preferred shares are limited to Philippine nationals and convertible into Common Class A shares at a conversion premium of ₱13.42 per share. Each preferred share is convertible into 9.4875 Common Class A shares. A convertible preferred share is also entitled to have one vote for each full share of Common Class A stock into which such convertible preferred share is, at any stockholders' meeting, then convertible. It does not enjoy the same dividend right as the two classes of common stock but is entitled to a fixed cumulative dividend of 8% a year, if there is surplus profit and when declared by the BOD.

On March 21, 2018, the BOD approved the increase in the Company's authorized capital stock from ₱717.30 million (consisting of 430,380,000 Common Class A shares and 286,920,000 Common Class B shares, both having a par value of ₱1.00 each) to ₱762.30 million (consisting of 475,380,000 Common Class A shares and 286,920,000 Common Class B shares, both having a par value of ₱1.00 each). After the amendment, the total authorized capital stock of the Company will increase from ₱784.80 million to ₱829.80 million.

The application for the increase was approved by the stockholders during the annual meeting held last November 8, 2018. As at March 22, 2024, the Company has not yet filed its application for the increase in authorized capital stock with the Philippine SEC.

In 2023, the Company issued 123,750 Common Class A shares and 138,000 Common Class B shares as a result of employees' exercise of stock options at a total consideration of ₱0.27 million, net of lodging fee of ₱0.10 million, ₱0.17 million of which was from 123,750 Common Class A shares at an average selling price of ₱1.38 per share and ₱0.20 million from 138,000 Common Class B at an average selling price of ₱1.43. As at December 31, 2023, total shares issued and outstanding for Common Class A and B shares are 375,120,008 and 248,064,121 respectively.

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

Date of Registration (SEC Approval)	Description	Number of shares	Par value per share	Total amount (in 000's)
June 18, 1956	Capital upon registration:			
	Common shares	18,000,000	₱1.00	₱18,000
November 25, 1960	Increase in number and par value of common shares:			
	Common shares	20,000,000	2.00	40,000
November 9, 1964	Increase in par value of common shares:			
	Common shares	20,000,000	3.00	60,000
October 22, 1968	Increase in number of common shares and introduction of preferred shares:			
	Common shares	50,000,000	3.00	150,000
	Preferred shares	6,000,000	5.00	30,000
March 12, 1974	Split of common share into two classes and change in number and par value and addition of conversion feature to the preferred shares:			
	Common class A	30,000,000	3.00	90,000
	Common class B	20,000,000	3.00	60,000
	Convertible preferred shares	19,652,912	3.43	67,500
July 27, 1989	Increase in number of common shares			
	Common class A	120,000,000	3.00	360,000
	Common class B	80,000,000	3.00	240,000
	Convertible preferred shares	19,652,912	3.43	67,500
September 28, 2015	Increase in number of common shares			
	Common class A	143,460,000	3.00	430,380
	Common class B	95,640,000	3.00	286,920
	Convertible preferred shares	19,652,912	3.43	67,500

Date of Registration (SEC Approval)	Description	Number of shares	Par value per share	Total amount (in 000's)
July 29, 2016	Increase in number of common shares and reduction in par value			
	Common class A	430,380,000	₱1.00	₱430,380
	Common class B	286,920,000	1.00	286,920
	Convertible preferred shares	19,652,912	3.43	67,500
As at December 31, 2023	**Common class A**	**430,380,000**	**₱1.00**	**₱430,380**
	Common class B	**286,920,000**	**1.00**	**286,920**
	Convertible preferred shares	**19,652,912**	**3.43**	**67,500**

As at December 31, 2023 and 2022, the Company has 16,870 and 16,896 stockholders, respectively.

As at December 31, 2023 and 2022, the Company has 348,069 shares held in treasury amounting to ₱8.02 million at ₱23 per share.

18. Stock Option Plan

Under the 1975 Nonqualified Stock Option Plan (Plan), as amended, 9.9 million shares of the unissued common shares of the Company have been reserved for stock options to selected managers, directors and consultants of the Company. The option price is payable on the exercise date and should not be less than the fair market value of the shares quoted on the date of the grant. The Plan, valid up to May 31, 1998, allows a maximum of 632,500 shares to be available to any one optionee. On May 26, 1998, the BOD and the stockholders approved the extension of the Plan until May 31, 2003, which was extended further on December 18, 2002 with the BOD and the stockholders' approval until May 31, 2008. On December 18, 2007, the BOD and the stockholders approved a further extension of the Plan until May 31, 2013.

On March 23, 2012, the BOD and the stockholders approved the proposed amendments to the existing Amended Stock Option Plan and to extend the termination date of the existing Plan for five years or until May 31, 2018. The amendments include an increase in the maximum award per employee from 200,000 shares over the life of the plan to 500,000 shares per grant and an increase in the shares reserved for issuance under the Plan from the total of 9,906,661 to 22,000,000 shares.

The amendments include an increase in the maximum award per employee from 200,000 shares over the life of the plan to 500,000 shares per grant and an increase in the shares reserved for issuance under the Plan from the total of 9,906,661 shares to 22,000,000 shares.

Options granted to Filipino optionees are exercisable in the form of 60% Common Class A and 40% Common Class B shares. Options for Common Class B shares may be exercised only if Common Class A shares had been previously or simultaneously exercised so as to maintain a minimum 60:40 ratio of Common Class A to Common Class B shares.

The options under the Plan are non-transferable and are exercisable to the extent of 30% after one year from the date of the grant, 60% after two years from the date of the grant, and 100% after three years from the date of grant. The options authorized under this plan is exercisable for a period of 10 years from the date of grant.

On November 8, 2018, the BOD and the stockholders approved the proposed amendment to the existing Amended Stock Option Plan to extend the termination date of the existing Plan for five years or until May 31, 2023.

On August 24, 2022, the BOD approved the proposed amendment to the existing Amended Stock Option Plan to extend the termination date of the existing Plan for eight (8) years or until May 31, 2031, which the stockholders ratified on November 9, 2022.

On March 17, 2017, upon endorsement of the Stock Option Committee, the BOD approved a new stock option grant to the Company's qualified directors, officer, employees and consultant, provided they have rendered at least two years of service as of March 11, 2017. Total number of common shares available for distribution under the plan is 8,414,375 shares at an exercise price of ₱1.38 and ₱1.43 for Class "A" and Class "B" shares, respectively.

On March 18, 2021, upon endorsement of the Stock Option Committee, the BOD approved a new stock option grant to the Company's officer, employees and consultant and to all members of the BOD, provided they have rendered at least two years of service as of March 15, 2021. Total number of common shares granted for distribution under the plan is 3,003,612 shares at an exercise price of ₱2.19 and ₱2.05 for Class "A" and Class "B" shares, respectively.

Exercisable shares per grant are as follows:

		Exercisable share options as at January 1, 2023	**Additions**	**Expired in 2023**	**Exercised in 2023**	**Exercisable share options as at December 31, 2023**
Class A	- May 2014 Grant	**648,000**	**–**	**–**	**–**	**648,000**
	- March 2017 Grant	**476,225**	**–**	**–**	**(123,750)**	**352,475**
	- March 2021 Grant	**540,654**	**540,654**	**–**	**–**	**1,081,308**
Class B	- May 2014 Grant	**432,000**	**–**	**–**	**–**	**432,000**
	- March 2017 Grant	**375,527**	**–**	**–**	**(138,000)**	**237,527**
	- March 2021 Grant	**360,430**	**360,430**	**–**	**–**	**720,860**
Total		**2,832,836**	**901,084**	**–**	**(261,750)**	**3,472,170**

		Exercisable share options as at January 1, 2022	Additions	Expired/ Cancelled in 2022	Exercised in 2022	Exercisable share options as at December 31, 2022
Class A	- September 2012 Grant	306,000	–	(306,000)	–	–
	- May 2014 Grant	648,000	–	–	–	648,000
	- March 2017 Grant	893,675	–	(417,450)	–	476,225
	- March 2021 Grant	–	540,654	–	–	540,654
Class B	- September 2012 Grant	204,000	–	(204,000)	–	–
	- May 2014 Grant	432,000	–	–	–	432,000
	- March 2017 Grant	653,827	–	(278,300)	–	375,527
	- March 2021 Grant	–	360,430	–	–	360,430
Total		3,137,502	901,084	(1,205,750)	–	2,832,836

On August 31, 2016, the Company's BOD approved the following amendments to the Plan due to the effect of the share split on July 29, 2016:

- change in the exercise price of outstanding options
- change in the maximum number of shares per grant from 500,000 to 1,500,000
- repricing of the unexercised share options brought about by the low turn-out in the availment of the grant due to high exercise price compared to market price. The repricing was based on the closing price on August 18, 2016 of Class A and Class B common shares amounting to ₱2.25 and ₱2.55, respectively, less 25% discount pursuant to the provisions of the amended stock option plan of the Company.
- change in the shares reserved issuance under the Plan from 22,000,000 shares to 66,000,000 shares.

The exercise prices of outstanding options are as follows:

		At grant date	After effect of stock split	As modified
Class A	- September 2012 Grant	₱17.96	₱5.99	₱1.69
	- May 2014 Grant	7.13	2.38	1.69
	- March 2017 Grant	1.38		
	- March 2021 Grant	2.19		
Class B	- September 2012 Grant	17.63	5.88	1.91
	- May 2014 Grant	7.13	2.38	1.91
	- March 2017 Grant	1.43		
	- March 2021 Grant	2.05		

Average exercise price per share in 2023 and 2022 amounted to ₱1.90 and ₱1.78, respectively. Total number of shares available for future option grants is 39,989,864 shares as at December 31, 2023 and 2022.

Stock option expense relating to the Plan recognized amounted to ₱2.26 million in 2023 and 2022 (see Note 22).

A summary of the number of shares under the Plan is shown below:

	2023	2022
Outstanding at beginning of year	**4,935,364**	6,141,114
Expiration	**–**	(1,205,750)
Exercised during the year	**(261,750)**	–
Outstanding at end of year	**4,673,614**	4,935,364
Exercisable at end of year	**3,472,170**	2,832,836

The Company used the binomial options pricing model to determine the fair value of the stock options at grant date.

The following assumptions were used to determine the fair value of the stock options at grant date:

		Share Price	Exercise price	Expected volatility	Option life	Expected Dividends	Risk-free Interest rate
Sep 9, 2012 Grant	A	23.95	17.96	57.35%	10 years	0.00%	4.80%
	B	23.50	17.63	65.53%	10 years	0.00%	4.80%
May 26, 2014 Grant	A	9.50	7.13	77.28%	10 years	0.00%	3.90%
	B	9.50	7.13	84.29%	10 years	0.00%	3.90%
May 17, 2017 Grant	A	1.77	1.38	95.46%	10 years	0.00%	5.09%
	B	1.83	1.43	101.96%	10 years	0.00%	5.09%
May 18, 2021 Grant	A	2.60	2.19	(106.57%)	10 years	0.00%	4.44%
	B	2.94	2.05	92.75%	10 years	0.00%	4.44%

The expected volatility measured at the standard deviation of expected share price returns was based on the analysis of share prices for the past 365 days. The cost of share-based payment amounted to ₱8.10 million and ₱6.28 million as at December 31, 2023 and 2022, respectively (see Note 17).

19. **Revenue**

Revenue of the Company pertains to sale of gold to the Bangko Sentral ng Pilipinas (BSP), which is subject to 4% excise tax based on gross revenues, and sale of silver and lime to outside customers.

	2023	2022
Revenue from contracts with customers		
Sale of gold	**₱623,399**	₱911,595
Sale of lime	**96,516**	99,976
Sale of silver	**4,067**	3,160
Total revenue from contracts with customers	**₱723,982**	₱1,014,731

Set out below is the disaggregation of the Company's revenue from contracts with customers in 2023 and 2022:

	2023	2022
Type of customer:		
Government	**₱623,399**	₱911,595
Private corporations	**100,583**	103,136
Total revenue from contracts with customers	**₱723,982**	₱1,014,731

In 2023 and 2022, the Company recognized excise taxes on sale of mine products amounting to ₱25.46 million and ₱36.88 million, respectively.

20. **Cost of Mine Products Sold**

	2023	2022
Outside services	**₱229,616**	₱357,590
Materials and supplies (Note 6)	**140,826**	195,478
Personnel expenses (Note 22)	**77,494**	68,779
Power and utilities	**58,104**	106,816
Repairs and maintenance	**19,007**	32,370
Depreciation and depletion (Notes 6 and 10)	**13,944**	28,424
Smelting, refining and marketing	**4,858**	7,154
Freight and handling	**143**	151
Taxes and licenses	**12**	10
Others	**2,099**	2,728
	₱546,103	₱799,500

Outside services pertain to amounts paid to contractors and consultants involved in the mining operations of the Company.

Other expenses include postage, insurance and maintenance expenses, which are individually insignificant.

21. Selling, General and Administrative Expenses

	2023	2022
Personnel expenses (Note 22)	**₱125,052**	₱123,026
Outside services	**29,342**	13,072
Environmental protection and enhancement program expense	**13,497**	9,339
Security expenses	**11,065**	11,606
Materials and supplies (Note 6)	**8,685**	9,153
Taxes, fees and licenses	**6,902**	4,921
Social development and management program	**6,768**	5,088
Depreciation and depletion (Note 10)	**5,835**	6,123
Power consumption	**5,753**	10,557
Travel and transportation	**5,612**	2,826
Rent and utilities	**3,230**	3,148
Subscription and membership	**3,228**	2,907
Insurance expense	**2,973**	3,229
Repairs and maintenance	**2,738**	4,056
Legal and audit expense	**491**	28,197
Reversal of allowance for ECL on trade and other receivables (Note 5)	**(184)**	–
Freight and handling	**11**	3,556
Others	**6,096**	29,945
	₱237,094	₱270,749

In 2023 and 2022, rent and utilities include expenses relating to short-term leases amounting to ₱1.03 million and ₱0.49 million, respectively (see Note 31).

Others consist of mainly of costs incurred for entertainment amusement and representation and other various incidental expenses which are individually insignificant.

22. Personnel Expenses

	2023	2022
Salaries and wages	**₱153,422**	₱147,429
Benefits and allowances	**35,968**	28,265
Net pension expense (Note 26)	**10,896**	13,853
Stock option expense (Note 18)	**2,260**	2,258
	₱202,546	₱191,805

The above amounts were distributed as follows:

	2023	2022
Selling, general and administrative expenses (Note 21)	**₱125,052**	₱123,026
Cost of mine products sold (Note 20)	**77,494**	68,779
	₱202,546	₱191,805

23. **Other Income (Charges)** – net

	2023	2022
Dividend income (Note 9)	**₱518,333**	₱500,000
Marketing fee (Note 24)	**141,205**	186,533
Revaluation gain (loss) on investment properties (Note 32)	**(20,140)**	85,331
Change in estimate of liability for mine rehabilitation (Note 16)	**(12,826)**	(16,858)
Interest income (Notes 4, 8 and 12)	**4,450**	281
Accretion expense (Note 16)	**(727)**	(661)
Unrealized gain on financial assets at FVPL (Note 7)	**638**	978
Gain on reversal of allowance for impairment losses on inventories (Note 6)	**–**	18,889
Rent income (Note 31)	**–**	371
Recoveries of allowance for ECLs on trade and other receivables (Note 5)	**–**	(231)
Foreign currency exchange gain (loss) – net	**82**	(223)
Others – net	**(5,748)**	(9,711)
	₱625,267	₱764,699

Others include contractor identification processing, permits for peddlers, various miscellaneous income and incidental expenses that are individually insignificant.

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

The Company's related party transactions which are, individually or in aggregate over a 12-month period, 10% and above of the latest audited total assets are reviewed and evaluated by the Related Party Transaction Committee and Management Committee. Afterwards, these are approved by at least two-thirds (2/3) vote of the BOD, with at least a majority of the independent directors voting to approve the material related party transaction. In case that a majority of the independent directors' vote is not secured, the material related party transaction may be ratified by the majority vote of the shareholders, or two-thirds (2/3) of the outstanding capital stock.

In the normal course of business, the Company has dealings with its related parties as follows:

a. In 2021, the Company entered into a marketing agreement with BRMC for five (5) years commencing January 1, 2021 and may be extended upon mutual agreement of the parties.

b. On January 1, 2021, the Company entered into a contract agreement with BMC Forestry Corporation, for the management of the former's property (i.e., Irisan Lime Kilns) for its Lime operations in Itogon, Benguet. Said contract shall continue to exist for a period of 5 years. BMC Forestry Corporation is compensated with a management fee equal to 10% of the managed properties' 'net profit before tax and before management fee'. The Company incurred management fee expense amounting to ₱3.28 million and ₱2.68 million in 2023 and 2022, respectively.

c. In 2011, Arrow Freight and Construction Corporation (AFCC), a wholly owned subsidiary of BMC, started providing trucking services to the Company for the delivery of equipment to various sites.

d. The Company provides and receives unsecured noninterest bearing cash advances to and from its subsidiaries for working capital requirements, which are settled in cash.

Outstanding payables from these transactions in the normal course of business are as follows:

Category	Year	Income (Note 23)	Outstanding balance	Terms	Conditions
Trade receivables to related parties (Note 5)					
BRMC	**2023**	**₱141,205**	**₱33,491**	Payable on demand;	Unsecured;
	2022	₱186,533	₱14,230	noninterest-bearing	no guarantees, Not impaired
Trade payables to related parties (Note 13)					
AFCC	**2023**	**1,379**	**2,147**	Payable on demand;	Unsecured;
	2022	2,699	2,133	noninterest-bearing	no guarantees
BTI	**2023**	**–**	**–**	Payable on demand;	Unsecured;
	2022	–	48,564	noninterest-bearing	no guarantees
Total	**2023**	**₱1,379**	**₱2,147**		
	2022	₱2,699	₱50,697		

The parent company statements of financial position include the following amounts resulting from advances to and from related parties:

Category	Year	Movements	Outstanding balance	Terms	Conditions
Amounts owed by related parties					
BMC	**2023**	**₱99**	**₱100,416**	Payable on demand;	Unsecured
	2022	₱4,156	₱100,317	noninterest-bearing	no guarantees; impaired
Media Management Corporation	**2023**	**–**	**₱100,183**	Payable on demand;	Unsecured
(MMC)	2022	88,000	₱100,183	noninterest-bearing	no guarantees; impaired
BGRC	**2023**	**61**	**78,626**	Payable on demand;	Unsecured
	2022	50	78,565	noninterest-bearing	no guarantees; impaired
BLI	**2023**	**2,696**	**48,547**	Payable on demand;	Unsecured
	2022	–	45,851	noninterest-bearing	no guarantees; impaired
BCPMI	**2023**	**41**	**30,584**	Payable on demand;	Unsecured
	2022	197	30,543	noninterest-bearing	no guarantees; not impaired

(*Forward)*

Category	Year	Movements	Outstanding balance	Terms	Conditions
IMRC	**2023**	**₱6,094**	**₱36,196**	Payable on demand;	Unsecured
	2022	₱70	₱30,102	noninterest-bearing	no guarantees;
					not impaired
BPGC	**2023**	**52**	**29,746**	Payable on demand;	Unsecured
	2022	39	29,694	noninterest-bearing	no guarantees;
					impaired
KPLMSC	**2023**	**11**	**18,818**	Payable on demand;	Unsecured
	2022	–	18,807	noninterest-bearing	no guarantees;
					not impaired
BTI	**2023**	**–**	**15,560**	Payable on demand;	Unsecured
	2022	4,654	16,412	noninterest-bearing	no guarantees;
					impaired
ADOVC	**2023**	**274**	**12,971**	Payable on demand;	Unsecured
	2022	338	12,697	noninterest-bearing	no guarantees;
					not impaired
BIL	**2023**	**811**	**8,653**	Payable on demand;	Unsecured
	2022	3,378	7,842	noninterest-bearing	no guarantees;
					impaired
BCDC	**2023**	**–**	**3,216**	Payable on demand;	Unsecured
	2022	11,974	14,592	noninterest-bearing	no guarantees;
					not impaired
PECI	**2023**	**51**	**865**	Payable on demand;	Unsecured
	2022	33	814	noninterest-bearing	no guarantees;
					not impaired
AGMI	**2023**	**81**	**81**	Payable on demand;	Unsecured
	2022	–	–	noninterest-bearing	no guarantees;
					not impaired
	2023	**10,271**	**484,462**		
	2022	112,889	486,419		
Less allowance for ECLs	**2023**	–	**111,146**		
	2022	–	111,146		
Total	**2023**	**₱10,271**	**₱373,316**		
	2022	₱112,889	₱375,273		

In 2023 and 2022, the Company has allowance for ECL amounting to ₱111.15 million, covering amounts which management believes may no longer be recovered.

Category	Year	Movements	Outstanding balance	Terms	Conditions
Amounts owed to related parties					
SARC	**2023**	**₱3,020**	**₱100,890**	Payable on demand;	Unsecured
	2022	₱55,012	₱97,870	noninterest-bearing	no guarantees;
					no impairment
BLRI	**2023**	**–**	**35,147**	Payable on demand;	Unsecured
	2022	–	35,164	noninterest-bearing	no guarantees;
					no impairment
BMC Forestry Corporation (BFC)	**2023**	**–**	**23,275**	Payable on demand;	Unsecured
	2022	1,457	27,326	noninterest-bearing	no guarantees;
					no impairment
AFCC	**2023**	**600**	**3,246**	Payable on demand;	Unsecured
	2022	2,646	2,646	noninterest-bearing	no guarantees;
					no impairment

(Forward)

Category	Year	Movements	Outstanding balance	Terms	Conditions
BRMC	**2023**	**₱–**	**₱1,470**	Payable on demand;	Unsecured
	2022	₱–	₱280,355	noninterest-bearing	no guarantees;
					no impairment
AGMI	**2023**	**–**	**–**	Payable on demand;	Unsecured
	2022	–	1,936	noninterest-bearing	no guarantees;
					no impairment
Total	**2023**	**₱3,620**	**₱164,028**		
	2022	₱59,115	₱445,297		

In 2023, the Company transferred out a portion of defined benefit obligation to BCLI and BRMC employees amounting to ₱8.54 million, as this amount pertains to the employees of these related parties.

Compensation of Key Management Personnel
The Company considered all senior officers as key management personnel. Below are the details of the compensation of the Company's key management personnel.

	2023	2022
Short-term benefits	**₱39,869**	₱38,730
Post-employment benefits	**12,297**	16,638
	₱52,166	₱55,368

25. ESOIP

The ESOIP, as approved by the stockholders in 1986, allows employees of the Company to buy up to 6,000,000 shares of the Common Class A shares of the Company at either of two prices. If the shares are acquired by the Company from a seller or are treasury shares, these can be bought at acquisition cost. If the shares are sourced from the authorized but unissued shares of the Company, these can be bought at the average closing price quoted in the PSE on the last day that such shares were traded prior to the start of the purchase period. Payment for the shares purchased shall be advanced by the Company on behalf of the employees and repaid through salary deduction without interest. The shares acquired by employees under the ESOIP may be subjected to a holding period from the date of purchase.

In January 1990, the BOD approved the Employees Stock Purchase Plan, which allows the employees of the Company (but excluding directors of the Company) to buy, basically under similar terms and conditions as that of the ESOIP, 2,000,000 shares of the Common Class A shares of the Company.

The balance of the employees' stock ownership pursuant to the said plans shown as part of the trade and other receivables in the parent company statements of financial position amounted to ₱58.42 million as at December 31, 2023 and 2022 and was provided an allowance for the same amount (see Note 5).

26. **Pension Benefits Plan**

The Company maintains a qualified, noncontributory pension plan covering substantially all of its regular employees.

The following tables summarize the components of net pension expense in the parent company statements of income and fund status, and the amounts recognized in the parent company statements of financial position.

Net pension expense (Note 22):

	2023	2022
Current service cost	**₱7,747**	₱10,340
Net interest cost	**3,149**	3,513
Net pension expense	**₱10,896**	₱13,853

Pension liability as at December 31, 2023 and 2022

	2023	2022
Present value of obligation	**₱101,011**	₱99,011
Fair value of plan assets	**(46,456)**	(45,990)
Pension liability	**₱54,555**	₱53,021

Reconciliation of other comprehensive income

	2023	2022
Balances at beginning of year	**₱17,055**	₱10,025
Gain (loss) on remeasurement	**(2,699)**	9,374
Tax effect	**675**	(2,344)
Remeasurement gain (loss) – net of tax	**(2,024)**	7,030
Balances at end of year	**₱15,031**	₱17,055

Changes in the present value of defined benefit obligation

	2023	2022
Balances at beginning of year	**₱99,011**	₱96,237
Transferred obligation (Note 24)	**(8,544)**	–
Current service cost	**7,747**	10,340
Interest cost	**6,405**	4,792
Remeasurement gains	**(91)**	(10,346)
Benefits paid	**(3,517)**	(2,012)
Balances at end of year	**₱101,011**	₱99,011

Breakdown of remeasurement loss (gain) on defined benefit obligation

	2023	2022
Change in financial assumptions	**₱4,839**	(₱12,880)
Experience adjustments	**(4,930)**	2,534
Remeasurement gains	**(₱91)**	(₱10,346)

Changes in the fair value of plan assets

	2023	2022
Balances at beginning of year	**₱45,990**	₱25,683
Asset return in net interest cost	**3,256**	1,279
Contribution	**–**	20,000
Remeasurement loss	**(2,790)**	(972)
Balances at end of year	**₱46,456**	₱45,990

The Company's plan assets are being managed by a trustee bank. The retirement fund includes cash in bank only as at December 31, 2023 and 2022. The Company has no transactions with its retirement fund. The retirement fund has no investments in shares of stocks of the Company.

In 2023 and 2022, the Company directly paid ₱3.52 million and ₱2.01 million, respectively, to the beneficiaries of the pension benefits plan.

The Company is expected to contribute ₱20.27 million to the defined benefits retirement plan in 2024.

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31, 2023 and 2022:

Plan year	**2023**	2022
Less than 1 year	**₱71,484**	₱50,061
More than 1 year to 5 years	**13,934**	39,298
More than 5 years to 10 years	**18,326**	16,363
More than 10 years to 15 years	**37,032**	42,283
More than 15 years to 20 years	**104,791**	121,973
More than 20 years	**545,773**	652,774

The principal assumptions used in determining the pension benefits obligation of the Company's plan is shown below.

	2023	2022
Discount rate	**6.05%**	7.08%
Salary increase rate	**5.00%**	5.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the pension liability as at the end of the reporting period, assuming if all other assumptions were held constant:

		December 31, 2023
	Increase (decrease)	**Present value of the defined benefit obligation**
Discount rates	**7.05% (+1.00%)**	**₱96,300**
	6.05% actual	**101,011**
	5.05% (-1.00%)	**106,671**
Salary increase rate	**6.00% (+1.00%)**	**₱106,383**
	5.00% actual	**101,011**
	4.00% (-1.00%)	**96,465**

	Increase (decrease)	December 31, 2022 Present value of the defined benefit obligation
Discount rates	8.08% (+1.00%)	₱94,387
	7.08% actual	99,011
	6.08% (-1.00%)	104,536
Salary increase rate	6.00% (+1.00%)	₱104,476
	5.00% actual	99,011
	4.00% (-1.00%)	94,498

The Company's weighted average duration of the defined benefit obligation is 20 years as at December 31, 2023. The Company's computation is based on per employee considering other contingencies to normal retirement and weighted by the benefit due.

27. **Income Taxes**

The provision for current and deferred tax in 2023 and 2022 follows:

	2023	2022
Provision for current taxes		
RCIT	**₱13,353**	₱19,057
Provision for deferred taxes	**(3,283)**	10,829
	₱10,070	₱29,886

The Company did not recognize deferred tax assets relating to the following temporary differences because management believes that it is more likely than not that the carry-forward benefits will not be realized in the near future:

	2023	2022
Allowance for impairment losses on:		
Deferred mine exploration costs	**₱166,984**	₱166,984
Other noncurrent assets	**151,891**	151,892
Share-based payment	**–**	6,275
Accrued expenses	**8,002**	8,002
	₱326,877	₱333,153

The components of the Company's net deferred tax liabilities are as follows:

	2023	2022
Deferred tax liabilities:		
Revaluation increment on land in OCI	**₱787,305**	₱772,248
Mine rehabilitation asset	**8,650**	10,264
Right-of-use assets	**1,169**	1,006
Unrealized foreign exchange gain	**21**	–
Unrealized gain on change in fair value of financial assets at FVPL	**128**	–
	797,273	783,518

(Forward)

	2023	2022
Deferred tax assets:		
Allowance for impairment losses on:		
Inventories	**₱39,153**	₱39,153
Trade and other receivables	**16,134**	16,180
Shared-based payment	**2,026**	–
Pension liability	**13,639**	13,256
Liability for mine rehabilitation	**9,768**	9,428
Lease liabilities	**1,318**	1,178
Amortization of past service cost	**1,229**	1,383
Unrealized foreign exchange loss	**–**	55
	83,267	80,633
Deferred tax liabilities – net	**₱714,006**	₱702,885

The reconciliation of income tax computed at the statutory tax rates to provision for income tax as shown in the parent company statements of income is summarized as follows:

	2023	2022
Tax at statutory rate	**₱134,517**	₱167,978
Add (deduct) tax effects of:		
Nontaxable income	**(129,583)**	(146,333)
Changes in unrecognized deferred tax assets	**(1,569)**	(792)
Nondeductible expenses	**5,581**	105
Interest income subject to final tax	**(1,113)**	(315)
Final tax on unrealized gain in investment in financial asset at FVPL	**128**	–
Others	**2,109**	9,243
Provision for income tax	**₱10,070**	₱29,886

28. Financial Risk Management Objectives and Policies

The Company has various financial instruments such as cash and cash equivalents, trade and other receivables (excluding advances to officers and employees), amounts owed by/to related parties, trade and other payables (excluding payables to government agencies), loans payable, lease liabilities, and other noncurrent liability which arise directly from its operations. Other financial assets include financial assets at FVPL and FVOCI.

The risks arising from the Company's financial instruments are liquidity risk, credit risk, foreign currency risk, interest rate risk and equity price risk. The BOD reviews and agrees policies for managing each of these risks and these are summarized below.

<u>Liquidity Risk</u>
Liquidity risk arises from the possibility that the Company may encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and availment of suppliers' credit. The long-term relationship of the Company to its suppliers gives it the advantage to negotiate the payment terms.

As part of its liquidity risk management, the Company has access to sufficient external funding and loans payable maturing within 12 months can be rolled over with existing lenders. It also continuously assesses conditions in the financial markets for opportunities to avail bank loans and capital market issues. Accordingly, its loan maturity profile is regularly reviewed to ensure availability of funding through an adequate amount of credit facilities with financial institutions. As at December 31, 2023 and 2022, cash in bank and cash equivalents may be withdrawn anytime while investments in financial assets at FVPL and FVOCI may be converted to cash by selling them during the normal trading hours in any business day.

The tables below summarize the maturity profile of the Company's financial liabilities as of December 31, 2023 and 2022 based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Company's financial assets in order to provide a complete view of the Company's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates.

	2023			
	On demand	**Within 90 days**	**Over 90 days**	**Total**
Financial assets				
Cash and cash equivalents	**₱142,168**	**₱–**	**₱84,929**	**₱227,097**
Trade and other receivables*	**195,157**	**33,491**	**58,415**	**287,063**
Short-term investments	**24,280**	**–**	**–**	**24,280**
Amounts owed by related parties	**373,316**	**–**	**–**	**373,316**
FVPL	**21,441**	**–**	**–**	**21,441**
FVOCI	**563**	**–**	**–**	**563**
Refundable deposits	**–**	**–**	**9,229**	**9,229**
	756,925	**33,491**	**152,573**	**942,989**
Financial liabilities				
Loans payable	**327,299**	**–**	**–**	**327,299**
Trade and other payables**	**38,570**	**53,586**	**–**	**92,156**
Amounts owed to related parties	**164,028**	**–**	**–**	**164,028**
Lease liability	**–**	**2,097**	**5,155**	**7,252**
Other noncurrent liability	**–**	**–**	**49,136**	**49,136**
	529,897	**55,683**	**54,291**	**639,871**
Net financial assets (liabilities)	**₱227,028**	**(₱22,192)**	**₱98,282**	**₱303,118**

**excluding advances to officers and employees*
***excluding nontrade payables*

	2022			
	On demand	Within 90 days	Over 90 days	Total
Financial assets				
Cash on hand and in banks	₱157,333	₱–	₱145	₱157,478
Trade and other receivables*	138,190	14,230	58,415	210,835
Amounts owed by related parties	375,273	–	–	375,273
FVPL	798	–	–	798
FVOCI	521	–	–	521
Refundable deposits under "other noncurrent assets"	–	–	9,229	9,229
	672,115	14,230	67,789	754,134
Financial liabilities				
Loans payable	325,096	–	–	325,096
Trade and other payables**	67,517	38,850	–	106,367
Amounts owed to related parties	445,297	–	–	445,297
Lease liability	–	1,597	4,253	5,850
Other noncurrent liability	–	–	49,136	49,136
	837,910	40,447	53,389	931,746
Net financial assets (liabilities)	(₱165,795)	(₱26,217)	₱14,400	(₱177,612)

**excluding advances to officers and employees*
***excluding nontrade payables*

Credit Risk

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

The Company trades only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

With respect to credit risk arising from financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Since the Company trades only with recognized third parties, there is no requirement for collateral.

The table below shows the maximum exposure to credit risk of the components of the parent company statements of financial position. The maximum exposure is shown at each instrument's carrying amount, before the effect of mitigation through the use of master netting and collateral agreements.

	2023	2022
Cash in banks and cash equivalents	**₱226,627**	₱157,034
Trade and other receivables	**287,063**	210,835
Short-term investments	**24,280**	–
Amounts owed by related parties	**373,316**	375,273
FVPL	**21,441**	798
FVOCI	**563**	521
Refundable deposits	**9,229**	9,229
	₱942,519	₱753,690

**excluding advances to officers and employees*

Impairment of financial assets

The Company has financial assets consisting of cash and cash equivalents, short-term investments amount owed by related parties, trade and other receivables and refundable deposits that are subjected to ECL model.

General Approach

Cash and cash equivalents and Short-term investments

The ECL relating to the cash of the Company is minimal as these are deposited in reputable banks which have good credit rating and are considered to have lower credit risk.

Amounts owed by related parties, Other receivables and Refundable deposits

The Company provided an allowance for ECLs for these financial assets amounting to ₱173.42 million in 2023 and 2022.

Simplified Approach

Trade receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due of trade and other receivables. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company establishes credit limits at the level of the individual borrower, corporate relationship and industry sector. It also provides for credit terms with the consideration for possible application of intercompany accounts between affiliated companies. Also, the Company transacts only with related parties and recognized third parties, hence, there is no requirement for collateral.

Below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

As at December 31, 2023

		Past due			Specific	
	Current	**30 days**	**60 days**	**>90 days**	**Identification**	**Total**
Expected credit loss rate	**0%**	**0%**	**0%**	**1%**	**100%**	
Estimated total gross carrying amount at default	**₱28,164**	**₱–**	**₱–**	**₱33,491**	**₱1,815**	**₱63,470**
	₱–	**₱–**	**₱–**	**₱449**	**₱1,815**	**₱2,264**

As at December 31, 2022

		Past due			Specific	
	Current	30 days	60 days	>90 days	Identification	Total
Expected credit loss rate	0%	0%	0%	4%	100%	
Estimated total gross carrying amount at default	₱17,630	₱–	₱–	₱14,230	₱1,815	₱33,675
	₱–	₱–	₱–	₱633	₱1,815	₱2,448

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery is that the debtors or a group of debtors is experiencing financial difficulty, default or delinquency in interest or principal payments.

Impairment losses on trade receivables are presented as impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Market Risks

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates primarily to the Company's long-term debt obligations with floating interest rates.

As at December 31, 2023 and 2022, the Company's exposure to the risk for changes in market interest rate relates primarily to its secured bank loans with floating interest rates. The Company regularly monitors its interest due to exposure from interest rates movements.

The Company's secured bank loans are payable on demand. Nominal interest rates vary from floating rate of 91-day Philippine Treasury Bill (PhP T-bill) rate for peso loans and 3-month LIBOR foreign loans, plus a margin of 3.5%. The Company has no material exposure to interest rate risk as at December 31, 2023 and 2022.

There is no other impact on the Company's equity other than those already affecting the profit or loss. Based on the historical movement of the interest rates, management believes that the reasonably possible change for the next quarter would result in an increase (decrease) of 100 basis points for USD LIBOR and 100 basis points for PhP T-bill.

Foreign Currency Risk
Foreign currency risk is the risk to earnings or capital arising from changes in foreign exchange rates. The Company takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial performance and cash flows. The Company has transactional currency exposures. Such exposure arises from the sale of gold.
All sales of gold are denominated in US$. Dollar conversion of metal sales to Philippine peso is based on the prevailing exchange rate at the time of sale.

The Company's policy is to maintain foreign currency exposure within acceptable limits. The Company believes that its profile of foreign currency exposure on its assets and liabilities is within conservative limits for an institution engaged in the type of business in which the Company is involved.

The Company did not seek to hedge the exposure on the change in foreign exchange rates between the US$ and the Philippine peso. The Company does not generally believe that active currency hedging would provide long-term benefits to stockholders.

The Company's foreign-currency-denominated monetary assets is cash in banks with US$7 equivalent to ₱388 and US$7 equivalent to ₱390 as at December 31, 2023 and 2022 respectively.

As at December 31, 2023 and 2022, the exchange rates of the Philippine peso to the US$ based on Philippine Dealing System exchange rates at closing date are ₱55.37 and ₱55.75, respectively.

The amount of foreign-currency-denominated monetary assets subject to foreign currency risk is immaterial relative to the Company financial statements taken as a whole, management opted not to disclose foreign currency risk sensitivity analysis for 2023 and 2022.

Equity Price Risk
Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of the listed shares. The non-trading equity price risk exposure arises from the Company's quoted equity investments at FVOCI.

The Company's policy is to maintain the risk to an acceptable level. Movement of share price is monitored regularly to determine impact on the company statement of financial position.

Since the amount of financial assets subject to equity price risk is immaterial relative to the Company financial statements taken as a whole, management opted not to disclose equity price risk sensitivity analysis for 2023 and 2022.

29. Capital Management

The Company maintains a capital base to cover risks inherent in the business. The primary objective of the Company's capital management is to ensure that the Company has available funds in order to continuously operate and support its exploration activities. The Company manages its capital structure and makes adjustments, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may obtain additional advances from stockholders or issue new shares. No changes were made in the objectives, policies or processes in 2023 and 2022.

The following table summarizes the total capital considered by the Company:

	2023	2022
Capital stock	**₱624,277**	₱624,015
Capital surplus	**415,547**	415,110
Cost of share-based payment	**8,104**	6,275
Other components of equity	**2,365,920**	2,322,728
Retained earnings	**4,140,120**	3,612,123
Treasury shares	**(8,016)**	(8,016)
	₱7,545,952	₱6,972,235

Further, the Company monitors capital using debt to equity ratio, which is the total liabilities divided by total equity. Debt to equity ratio of the Company as at December 31, 2023 and 2022 follows:

	2023	2022
Total liabilities (a)	**₱1,499,517**	₱1,808,187
Total equity (b)	**7,545,952**	6,972,235
Debt-to-equity ratio (a/b)	**0.20:1**	0.26:1

30. **Fair Value Measurement**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models, as appropriate.

Set out below is a comparison by category and class of carrying amounts and estimated fair values of the Company's significant financial assets and liabilities as at December 31, 2022 and 2021:

	Carrying Amount		**Fair Values**	
	2023	2022	**2023**	2022
Financial assets				
FVOCI	**₱563**	₱521	**₱563**	₱521
FVPL	**21,441**	798	**21,441**	798

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

Cash and cash equivalents, Trade and other receivables, Short-term investments, and Amounts owed by related parties
The fair values of these instruments approximate their carrying amounts as of the reporting date due to their short-term nature.

Financial assets at FVOCI
The fair value of investments that are actively traded in organized markets is determined by reference to quoted market bid prices at the close of business on reporting date.

Financial assets at FVPL
The carrying values of financial assets at FVPL are measured at fair value and is computed based on certain valuation techniques.

Land at revalued amount and investment property
The fair value of land at revalued amounts and investment property is calculated using the sales comparative approach, which results in measurements being classified as level 3 in the fair value hierarchy.

Loans payable
Where the repricing of the variable-rate interest-bearing loan is frequent (i.e., three-month repricing), the carrying value approximates the fair value. Otherwise, the fair value is determined by discounting the principal plus the known interest payment using current market rates.

Fair Value Hierarchy
Set out below is the fair value hierarchy of the Company's assets measured at fair value.

	2023		
	Fair value measurement using		
	Quoted prices in active market (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Land at revalued amounts	**₱–**	**₱–**	**₱1,574,558**
Investment properties	**–**	**–**	**2,553,620**
Financial assets at FVOCI	**563**	**–**	**–**
Financial assets at FVPL	**21,441**	**–**	**–**
	₱22,004	**₱–**	**₱4,128,178**

	2022		
	Fair value measurement using		
	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Land at revalued amounts	₱–	₱–	₱1,514,327
Investment properties	–	–	2,979,827
Financial assets at FVOCI	521	–	–
Financial assets at FVPL	798	–	–
	₱1,319	₱–	₱4,494,154

Sensitivity of the fair value measurements that are categorized within Level 3
A 5% increase (decrease) in internal factors used in determining the price per square meter. such as use, size and location would decrease (increase) the fair value of land by ₱227.18 million (₱237.84 million) and ₱219.68 million (₱212.30 million) as at December 31, 2023 and 2022, respectively.

As at December 31, 2023 and 2022, the fair value of land at revalued amounts, and investment property are calculated using the sales comparative approach, which resulted in measurement being classified as Level 3 in the fair value hierarchy.

Significant unobservable inputs used include value adjustments due to location, size, neighborhood data, and bargaining allowance. Each of these factors includes an adjustment ranging from 10% to 20% of the asking prices per square meter of comparable lots used which range from ₱1,000 to ₱2,000 per square meter. Significant increases (decreases) in each estimated value adjustment would result in a significantly higher (lower) fair value on a linear basis.

As at December 31, 2023 and 2022, the Company's financial assets at FVOCI is classified under Level 1 of the fair value hierarchy since these are based on quoted market prices or binding dealer price quotations.

There are no other assets and liabilities measured at fair value using any of the valuation techniques as at December 31, 2023 and 2022. There were no transfers between levels in 2023 and 2022.

31. Lease Commitments

Company as a lessee

The Company has lease contracts for various office spaces, machinery, tools and equipment, and land, which generally have lease terms, as follows:

Lease	Lease terms
Land	15 to 25 years
Office spaces	3-8 years
Machinery, tools and equipment	2 years

The Company also has certain leases of land and machinery, tools and equipment with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemption for these leases. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

In 2021, the Company signed a lease agreement with Perea Realty and Development Corporation for the rental of its office space at Universal Re Building for three (3) years starting July 1, 2020 and expiring on June 30, 2023. The monthly rental for the leased office space is ₱0.12 million subject to an annual escalation rate of 10%. The Company paid security deposit amounting to ₱0.24 million to be refunded at the end of the lease term net of any unpaid charges.

On March 18, 2024, the Company signed a lease agreement with Perea Realty and Development Corporation at Universal Re Building for the lease of its office space for one (1) year commencing on July 1, 2023 and expiring on June 30, 2024. The monthly rental for the leased office space is ₱0.16 million. The Company paid security deposit amounting to ₱0.24 million to be returned at the expiration of the lease or cancellation of the Contract without interest or any unpaid charges,

The following are the amounts recognized in the parent company statements of income:

	2023	2022
Depreciation expense of right-of-use assets included in property and equipment (Note 10)	**₱1,398**	₱2,097
Interest expense on lease liabilities	**318**	389
Expenses relating to short-term leases included in selling, general and administrative costs	**1,025**	490
Income from subleasing right-of-use assets (Note 23)	**–**	(371)
Total amount recognized in company statements of income	**₱2,741**	₱2,605

The carrying amount of PFRS 16 lease liabilities as at December 31, 2023 and 2022 are as follows:

	2023	2022
Beginning balances	**₱4,714**	₱6,701
Additions	**2,052**	–
Interest	**318**	389
Payments of:		
Interest portion	**(318)**	(389)
Principal portion	**(1,495)**	(1,987)
Ending balances	**5,271**	4,714
Less current portion	**2,695**	1,288
Lease liabilities - net of current portion	**₱2,576**	₱3,426

The lease liabilities were measured at the present value of the remaining lease payments discounted at the Company's incremental borrowing rates as at January 1, 2021. The weighted average incremental borrowing rates applied to the lease liabilities on January 1, 2021 was 9.39%.

Shown below is the maturity analysis of lease liabilities pertaining to contractual undiscounted cash flows:

	2023	2022
1 year	**₱2,097**	₱1,597
more than 1 years to 2 years	**1,239**	738
more than 2 years to 3 years	**1,259**	759
more than 3 years to 4 years	**1,281**	779
more than 5 years	**1,376**	1,977

Company as a lessor
The Company rented its office space that have a lease term of one year. The lease agreements are renewable upon mutual agreement between the Company and its lessee. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

Rent income from these leases amounted to nil and ₱0.37 million in 2023 and 2022, respectively (see Note 23).

32. Investment Properties

On February 22, 2024 and January, 16, 2023, the Company engaged an independent appraiser to assess the fair market value of land under investment properties as at December 31, 2023 and 2022, respectively. The appraisal was performed by Cuervo Appraisers, Inc. The fair value of the investment properties was estimated using the sales comparative approach, which considers the sales of similar or substitute properties and related market values and establishes value estimates by processes involving comparisons (Level 3).

The Company recognized revaluation loss amounting to ₱20.14 million in 2023 and revaluation gain amounting to ₱85.33 million in 2022 (see Note 23). As at December 31, 2023 and 2022, the Company's retained earnings shall be restricted for dividend declaration to the extent of the accumulated revaluation gains amounting to ₱2,553.62 million and ₱2,979.83 million, respectively.

Direct operating expenses from these investment properties amounted to nil in 2023 and 2022, respectively.

Movements of investment properties are as follows:

	2023	2022
Balances at beginning of year	**₱2,979,827**	₱2,894,496
Transfer to related parties (Note 9)	**(406,067)**	–
Revaluation (Note 23)	**(20,140)**	85,331
Balances at end of year	**₱2,553,620**	₱2,979,827

In 2023, the Company entered into an agreement to assign to ADOVC a 360,000 sq. m. land located in Itogon, Benguet with a fair market value of ₱263 million in exchange for 248,780 common shares in ADOVC.

In 2023, the Company entered into an agreement to transfer to BCPMI an 18,000 sq. m. land located in Itogon, Benguet with a fair market value of ₱143.07 million in exchange for 1,075,100 common shares in BCPMI.

Movements in accumulated revaluation gains on investment properties are as follows:

	2023	2022
Balances at beginning of year	**₱1,405,163**	₱1,319,832
Revaluation gain (loss) (Note 23)	**(20,140)**	85,331
Balances at end of year	**₱1,385,023**	₱1,405,163

33. Agreements and Contingencies

a. The Company is contingently liable on lawsuits or claims filed by third parties, which are either pending decision by the courts or are subject to settlement agreements. The outcome of these lawsuits or claims cannot be presently determined. In the opinion of management and its legal counsel, the eventual liability from these lawsuits or claims, if any, will not have a material effect on the Company's financial statements.

b. In 2011, the Company signed a 20-year power supply agreement with Therma Luzon, Inc., a wholly owned subsidiary of Aboitiz Power Corporation, to supply reliable power to its current and future mining operations in Itogon, Benguet. The contract provides for a payment discount of 0.5% on its monthly billing if the Company pays TLI on or before the 15th of the payment month. Electrical charges recognized amounted to ₱9.12 million.

34. Changes in Liabilities Arising from Financing Activities

Movements on the reconciliation of liabilities arising from financing activities are as follows:

	January 1, 2023	**Cash flows**	**Others**	**December 31, 2023**
Loans payable	**₱325,096**	**₱–**	**₱2,203**	**₱327,299**
Amounts owed to related parties	**445,297**	**(289,813)**	**8,544**	**164,028**
Lease liabilities - current	**1,288**	**(1,495)**	**2,902**	**2,695**
Lease liabilities – net of current portion	**3,426**	**–**	**(850)**	**2,576**
	₱775,107	**(₱291,308)**	**₱12,799**	**₱496,598**

	January 1, 2022	Cash flows	Others	December 31, 2022
Loans payable	₱336,121	–	(₱11,025)	₱325,096
Amounts owed to related parties	822,695	(388,423)	11,025	445,297
Lease liabilities - current	2,695	(1,987)	1,996	1,288
Lease liabilities – net of current portion	4,016	–	(590)	3,426
	₱1,165,527	(₱390,410)	₱1,406	₱775,107

Others pertain to the interest expense related to the loans payable and lease liabilities, additions to lease liabilities, transfer of pension liability to related parties and accretion expense related to the liability for mine rehabilitation which are recognized in the parent company statements of income.

35. Operating Segments

Operating segments are components of an enterprise for which separate financial information is available that is evaluated regularly reviewed by the chief operating decision-maker, who is the President of the Company.

The Company derives its revenue from gold mining and production and trading of quicklime operations. Segment's assets and liabilities amounted to ₱9,045.47 million and ₱1,449.52 million, respectively, as of December 2023, and ₱8,780.42 million and ₱1,808.19 million respectively, as of December 2022. Segment's revenue and net income amounted to ₱723.98 million and ₱528.00 million respectively, in 2023, and ₱1,014.73 million and ₱642.03 million respectively, in 2022.