



SEC Reg. No. 11341

September 28, 2023

SECURITIES AND EXCHANGE COMMISSION
17F SEC Headquarters, 7907 Makati Avenue
Brgy. Bel-Air, Makati City 1209

Attention: **Mr. VICENTE GRACIANO P. FELIZMENIO, JR.**
Director, Markets and Securities Regulation Department

Gentlemen:

We submit herewith the Definitive Information Statement (SEC Form 20-IS) of Benguet Corporation in connection with its Annual Stockholders' Meeting to be held virtually via online/remote communication on November 8, 2023. Incorporated therein are the following:

1. The company is advised of the Notice dated March 13, 2023 re: Alternative Mode for Distributing and Providing Copies of Notice of Meeting, Information Statement, and other documents in connection with the holding of annual stockholders' meeting for 2023.

BC's Compliance

The Company takes note of the SEC Notice dated March 13, 2023 on the alternative mode for distributing and providing copies of Notice of Meeting, Information Statement and other pertinent documents in connection with the holding of 2023 Annual Stockholders' Meeting. Part I.A – General Information, Item 1 paragraph 2 states that "The Information Statement and form of proxy containing management report and other pertinent documents shall be made available to the security holders in electronic copy to the Company website: www.benguetcorp.com or may be accessed in the online system of PSE Edge Portal: <https://edge.pse.com.ph>, as practicable after the approval of the Definitive Information Statement by the Securities and Exchange Commission but not later than October 9, 2023". The Notice of Meeting for the 2023 Annual Stockholders' Meeting will be published in two (2) newspapers of general circulation for two (2) consecutive days on October 16 and 17, 2023.

2. Management Report. Discussion of the Registrant's financial condition, changes in Financial Condition and Results of Operations for each of the last 3 fiscal years. Incomplete. Provide discussion for the year 2020 vs 2019:

BC's Compliance:

The discussion on the changes in financial condition and results of operation for the year ended December 31, 2020 versus December 31, 2019 is presented in Annex A – Management Report pages 1-13.

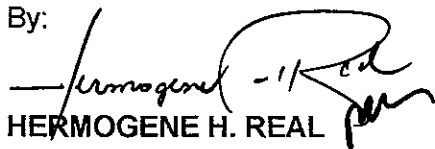
We trust that you will find everything in order.

Thank you.

Very truly yours,

BENGUET CORPORATION

By:

A handwritten signature in black ink, appearing to read "Hermogene H. Real", written over a horizontal line. The signature is stylized and includes a large, sweeping flourish at the end.

HERMOGENE H. REAL
Corporate Secretary



BenguetCorp

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

September 28, 2023

The Annual Stockholders' Meeting (ASM) of Benguet Corporation (herein "BenguetCorp" or "the Company") will be held on Wednesday, November 8, 2023, 3:00 p.m. at the Company's Board Room, 7th Floor Universal Re Building, 106 Paseo de Roxas, 1226 Makati City, Philippines and will be conducted virtually or via online/remote communication. The agenda of the meeting is as follows:

1. Call to Order;
2. Proof of Notice of the Meeting;
3. Determination of Quorum;
4. Approval of Minutes of the Annual Stockholders' Meeting held on November 9, 2022;
5. Approval of Management Report and Audited Financial Statements for 2022;
6. Approval of the Extension of Term/Retention of Mr. Bernardo Villegas as Company's Independent Director;
7. Approval of the Re-appointment of Sycip Gorres Velayo and Company (SGV) as the Company's independent External Auditor;
8. Ratification of all acts, contracts, investments, resolutions and proceedings made and entered into by Management and/or the Board of Directors since November 8, 2022, until the date of 2023 Annual Stockholders' Meeting;
9. Election of eleven (11) shareholders to serve as Directors (including Independent Directors) for the ensuing year, in case the Temporary Restraining Order (TRO) of the Philippine Supreme Court is lifted on or before the stated Annual Stockholders' Meeting on November 8, 2023 or within 90 days thereafter; and
10. To transact such other business as may properly be brought before the meeting or any adjournment thereof, including possibly voting to adjourn the meeting up to ninety (90) days until the aforesaid TRO is lifted. Management knows of no other proposals to be presented during the meeting.

The rationale and explanation of each Agenda item requiring stockholders' approval are presented in Annex "A" of this Notice. The Information Statement (SEC Form 20-IS) accompanying this Notice contains more details regarding the rationale and explanation for each of such Agenda items.

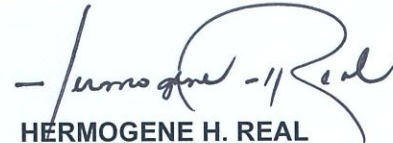
The Board of Directors has fixed the close of business on September 19, 2023 as the record date for the determination of the holders of the Company's stock entitled to notice of, and to vote at the said meeting. The transfer books will not be closed.

Stockholders intending to participate in the meeting via remote communication and exercise their right to vote in absentia should first register and be authorized on or before November 3, 2023 thru Company's website <http://benquetcorp.com/investor-relations/>. Stockholders should submit a scanned copy of a valid government-issued identification card (ID) for registration and verification purposes. Indirect stockholders should submit their broker's certification of shareholding. Stockholders whose registration is validated will receive an email containing the meeting ID and password. Stockholders who cannot attend by remote communication can still be represented and vote at the meeting by submitting a proxy. A copy of the proxy form containing instructions on each item on the agenda that requires stockholders to vote is downloadable on the Company's website <http://benquetcorp.com/investor-relations/>.

Votes will be cast through ballots or proxies. Stockholders are given on or before 3:00 p.m. of November 7, 2023 to submit a scanned copy of the ballot/proxy via email to bccorpsec@benquetcorp.com or physical copies to the Office of the Corporate Secretary/Stockholders Relations at the Company's principal office. Validation of proxies will be on November 7, 2023 at 3:00 p.m. at the Company's Board Room. Proxies will be validated and tabulated by a special committee composed of the Corporate Secretary, the Stockholders Relations Office of the Company, and the Company's stock transfer agent, Stock Transfer Service Inc.

(STSI). The tabulation of all votes shall be done by the same committee and further reviewed by the Company's independent external auditor, Sycip Gorres Velayo & Co. (SGV), when necessary.

The Information Statement (SEC Form 20-IS) with the Management Report and 2022 Annual Report (SEC Form 17-A) with 2022 Sustainability Report and the Audited Financial Statements for the year ended December 31, 2022, the Company's 2023 Second Quarter Report (SEC Form 17Q) and other pertinent documents will be available for download at the Company's website www.benguetcorp.com and may be accessed in the online system of PSE Edge Portal <https://edge.pse.com.ph>.



HERMOGENE H. REAL
Corporate Secretary

A G E N D A

2023 VIRTUAL ANNUAL STOCKHOLDERS’ MEETING OF BENGUET CORPORATION

November 8, 2023 at 3:00 p.m., Benguet Corporation’s Board Room

7th Floor Universal Re-Building, 106 Paseo de Roxas

1226 Makati City, Philippines

EXPLANATION AND RATIONALE

I. Call to Order

The Presiding Officer will formally open the 2023 virtual Annual Stockholders’ Meeting (ASM) via online / remote communication.

II. Proof of Notice of the Meeting

The Corporate Secretary will certify that in accordance with SEC Notice dated March 13, 2023, notice of the meeting was duly published in the business section of two (2) newspapers of general circulation, **in print and online format** for two (2) consecutive days no later than twenty-one (21) days prior to the scheduled ASM. The notice was also posted in the Company website <http://benguetcorp.com/press-materials-news/announcements/>.

III. Determination of Quorum

The Corporate Secretary will certify the existence of a quorum. The stockholders present, through remote communication, proxy, or voting in absentia, representing at least a majority of the outstanding voting capital stock of the Company, shall constitute a quorum for the transaction of business.

Please refer to Annex “C” of the Information Statement on rules and procedures for holding of, and participation by stockholders in the ASM by remote communication and voting in absentia.

IV. Approval of the Minutes of the Annual Stockholders' Meeting held on November 9, 2022

The minutes of the meeting may be accessed through the Company’s website <http://benguetcorp.com/company-disclosures/minutes-of-all-general-or-special-stockholders-meetings/>. The brief summary of the minutes is presented in Item 15 of the Information Statement.

Stockholders will vote for the adoption of a resolution approving the Minutes of the November 9, 2022 Annual Stockholders’ Meeting.

A vote of the stockholders representing at least a majority of the outstanding voting capital stock of the Company is required for the approval of the Minutes of the Meeting.

V. Approval of Management Report and the Audited Financial Statements for 2022

Presentation of the Company’s operational highlights and financial results and the audited financial statements for the year ended 31 December 2022 (2022 AFS) audited by the Company’s independent external auditors, Sycip Gorres Velayo & Company (SGV). The Information Statement containing the Management Report, the 2022 AFS, and other pertinent documents shall be made available to security holders by downloading copy from the Company website www.benguetcorp.com or may be accessed online in the PSE Edge Portal <https://edge.pse.com.ph> as soon as practicable after the approval of the Definitive Information Statement by the SEC but not later than October 9, 2023. The 2022 Annual Report (SEC Form 17-A) as filed with the SEC and PSE is also posted and downloadable in the Company website and in the PSE Edge Portal.

After the presentation of report, there will be an open forum. The stockholders may raise questions and comments concerning the report through remote communication. Questions and comments received from the stockholders via email prior to or during the meeting will be answered by the Company. Any additional questions or questions received but not entertained during the open forum due to time constraints will be responded by the Company through the specified email address provided by the stockholder.

Stockholders will vote for the adoption of a resolution approving the Management Report and the Audited Financial Statements for the year ended December 31, 2022.

A vote of the stockholders representing at least a majority of the outstanding voting capital stock of the Company is required for the approval of management report and the audited financial statements for 2022.

- VI. Approval for the extension of the term/ retention of Mr. Bernardo M. Villegas as Independent Director after having served the maximum 9 years term limit for Independent Directors with 2012 as reckoning year.

The Board of Directors of the Company during its meeting held on August 30, 2023 approved the extension of term/retention of Mr. Bernardo M. Villegas as Independent Director despite having served the maximum term limit of 9 years with 2012 as reckoning year. The Company continues to benefit from his guidance based on his business experience and acumen resulting from his wide exposure as an economist and educator. A resolution approving the extension of term/retention of Mr. Villegas as independent Director will be presented to the stockholders for approval.

A vote of the stockholders representing at least a majority of the outstanding voting capital stock of the Company is required for the extension of term/retention of Mr. Villegas as Independent Director.

- VII. Approval for the re-appointment of Sycip Gorres Velayo & Co. (SGV) as the independent external auditor of the Company

During the meeting of the Company's Board of Directors (the "Board") held on August 30, 2023, the Board approved the re-appointment of Sycip Gorres Velayo & Company (SGV & Co.) as the independent external auditors of the Company. Information on the Independent Public Accountants may be found in Item 7 of the Information Statement.

Stockholders will vote for the adoption of a resolution approving the re-appointment of SGV & Co., as the independent external auditors of the Company.

A vote of the stockholders representing at least a majority of the outstanding voting capital stock of the Company is required for the re-appointment of SGV & Co.

- VIII. Confirmation and ratification of all acts, resolutions, contracts, investments and proceedings made and entered into by Management and/or the Board of Directors since November 8, 2022, until the date of 2023 Annual Stockholders' Meeting (ASM).

The matters for approval are those actions taken by Management and/or the Board of Directors since November 8, 2022 until the date of 2023 Annual Stockholders' Meeting, which included the approval for holding of virtual ASM on November 8, 2023 and authorizing stockholders to participate through remote communication and to exercise their right to vote in absentia or through proxy. The list of all acts, resolutions, contracts, investments and proceedings made and entered into by Management and/or the Board of Directors may be found in Item 15 of the Information Statement.

Stockholders will vote for the adoption of a resolution approving all acts, resolution, contracts, investments and proceedings made by Management and/or the Board of Directors.

A vote of the stockholders representing at least a majority of the outstanding voting capital stock of the Company is required for the confirmation, ratification and approval of all acts, resolutions, contracts, investments and proceedings made and entered into by Management and/or the Board of Directors since November 8, 2022, until the date of 2023 Annual Stockholders Meeting.

- IX. Election of eleven (11) directors (including Independent Directors) for the ensuing year - (subject to the lifting of the Temporary Restraining Order issued by the Supreme Court)
- a) Four (4) directors to represent the Common Class "B" Stocks; and
 - b) Seven (7) directors to represent the Common Class "A" and Convertible Preferred Class "A" Stocks

The Nomination Committee determined that all the Nominees for election (including the independent directors) possessed all the qualifications and none of the disqualifications for nomination and election pursuant to the provisions of the Code of Corporate Governance for Publicly-Listed Companies, as the same was adopted in the Company's 2017 Revised Manual on Corporate Governance. The Nominees are all incumbent directors of the Company. Their respective personal profiles, including directorships in other listed companies may be found in Item 5 of the Information Statement.

In the nomination of Independent Directors, Mr. Bernardo M. Villegas was nominated by stockholder Ms. Shirley S. Cueva, Atty. Rhodora L. Dapula was nominated by Ms. Daisy A. Mejia and Atty. Elmer B. Serrano was nominated by Ms. Rebecca R. Rapisura.

If the Temporary Restraining Order (TRO) issued by the Supreme Court is not lifted on or before the scheduled or adjourned Annual Stockholders' Meeting, there will be no election of directors to be held. The incumbent directors will continue to remain in office on holdover capacity until their successors are elected and qualified. The voting procedures are provided in Item 19 of the Information Statement.

- X. Other Business
Conversion Premium for Convertible Preferred "A" Shares

Holders of Convertible Preferred Class A share at their option may convert such shares into Common Class A share with par value of P1.00 per share upon payment of the conversion premium. For the year 2022, the conversion premium for converting Convertible Preferred Class A share into Common Class A share is ₱12.48 per share. The discussion on this matter is presented in Item 4 of the Information Statement.

Prior to the adjournment, the meeting will be opened to such other business as may properly be brought before the meeting, including possibly voting to adjourn the meeting up to ninety (90) days until the aforesaid TRO is lifted. The stockholders may raise other matters or issues that may be properly taken up at the meeting by sending their questions and/or comments prior to or during the meeting to bccorpsec@benguetcorp.com.

- XII. Adjournment

Upon determination that there are no other matters to be considered, the meeting will be adjourned on motion duly made and seconded.

**BALLOT/PROXY FOR HOLDER(S) OF COMMON CLASS A AND
CONVERTIBLE PREFERRED CLASS A SHARES OF BENGUET CORPORATION**

Please mark as applicable

Total Shares Held: _____

- Vote by ballot:** The undersigned holder(s) of Common Class A and Convertible Preferred Class A shares of BENGUET CORPORATION (the "Company") cast his/her ballot on the agenda items for the Annual Stockholders' Meeting (ASM) of the Company scheduled on Wednesday, November 8, 2023, 3:00 p.m. via online/remote communications.
- Vote for proxy:** The undersigned holder(s) of Common Class A and Convertible Preferred Class A shares of the Company do(es) hereby appoint **Mr. BERNARDO M. VILLEGAS, Chairman of the Board and/or Atty. HERMOGENE H. REAL, Corporate Secretary** and each or any of them, as attorney(s)-in-fact, with the power of substitution, to vote as proxy of the undersigned at the ASM of the Company scheduled on Wednesday, November 8, 2023, 3:00 p.m. via online/remote communications, and at any and all other adjournments thereof for the purpose of acting on the following matters:

1. Election of Directors

FOR all nominees listed below (**except as marked to the contrary below**).

- ANDREW PATRICK R. CASIÑO
- CARLOS ALFONSO T. OCAMPO
- MARIA REMEDIOS R. POMPIDOU
- ANTHONY M. TE
- LUIS JUAN L. VIRATA
- RHODORA L. DAPULA - (INDEPENDENT DIRECTOR)
- ELMER B. SERRANO - (INDEPENDENT DIRECTOR)

Withhold Authority to vote for all nominees listed above

Instruction: To withhold authority to vote for any individual, mark the "FOR" box above and mark the box corresponding to the particular nominee with regard to whom authority is withheld

Instruction: Mark under the corresponding column to Vote for "Approval", "Against" or "Abstain"

	Vote for Approval	Vote Against	Abstain
2. Minutes of the Annual Stockholders' Meeting held on November 9, 2022.	[]	[]	[]
3. Management Report and Audited Financial Statements for 2022.	[]	[]	[]
4. Extension of Term/Retention of Mr. Bernardo M. Villegas as Independent Director	[]	[]	[]
5. Re-appointment of Sycip Gorres Velayo and Company (SGV) as the independent external auditor of the Company	[]	[]	[]
6. Ratification of all acts, contracts, investments, resolutions and proceedings made and entered into by Management and/or the Board of Directors since November 8, 2022 until the date of 2023 Annual Stockholders' Meeting	[]	[]	[]
7. At their discretion, the Proxies are authorized to vote upon such other matters as may properly come before the meeting and which are not known to management at a reasonable time, including to adjourn the meeting for up to ninety (90) days from November 8, 2023 if the election of directors is enjoined at the meeting date.	[]	[]	[]

To be valid, this ballot/proxy must be signed and received by the Office of the Corporate Secretary/Stockholders Relations Office no later than 3:00 p.m., November 7, 2023. Validation of proxies will be on November 7, 2023 at 3:00 p.m. at the Company's Board Room. In the event a stockholder decides to attend the meeting, he may, if he wishes, revoke his proxy and register on or before November 3, 2023 so he can cast vote in absentia.

Please sign your name(s) exactly as printed in this proxy, if shares are held in joint account, each joint owner should sign.

Printed Name/Signature of Stockholder(s)

Date Signed

This ballot/proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made in a proxy, such proxy will be voted "FOR" the election of all nominees and "FOR" the approval of the matters stated in item 2, 3, 4, 5, and 6 above and "FOR" such other matters as may properly come before the meeting and which are not known to management at a reasonable time, including to adjourn the meeting for up to ninety (90) days from November 8, 2023 if the election of directors is enjoined at the meeting date. The grant of authority in the election of directors is subject to the lifting of TRO. In case no election of directors is held on the date of the Annual Stockholders' Meeting on November 8, 2023, the proxy will still be valid for ninety (90) days from said date, or up to February 6, 2024 and can still be exercised in the event the TRO is lifted after the November 8, 2023 Stockholders' Meeting and an election is ordered within the said ninety (90) day-period, the proxy will still be valid and can be exercised. Information required in a proxy form may be found in Part II of the Information Statement.

THE PROXY IS SOLICITED ON BEHALF OF THE MANAGEMENT OF BENGUET CORPORATIONS

**BALLOT/PROXY FOR HOLDER(S) OF COMMON CLASS B SHARES
OF BENGUET CORPORATION**

Please mark as applicable

Total Shares Held: _____

- [] **Vote by ballot:** The undersigned holder(s) of Common Class B shares of BENGUET CORPORATION (the “Company”) cast his/her ballot on the agenda items for the Annual Stockholders’ Meeting (ASM) of the Company scheduled on Wednesday, November 8, 2023, 3:00 p.m. via online/remote communications.
- [] **Vote for proxy:** The undersigned holder(s) of Common Class B shares of the Company do(es) hereby appoint **Mr. BERNARDO M. VILLEGAS, Chairman of the Board and/or Atty. HERMOGENE H. REAL, Corporate Secretary** and each or any of them, as attorney(s)-in-fact, with the power of substitution, to vote as proxy of the undersigned at the ASM of the Company scheduled on Wednesday, November 8, 2023, 3:00 p.m. via online/remote communications, any and all other adjournments thereof for the purpose of acting on the following matters:

1. Election of Directors

- [] **FOR** all nominees listed below (**except as marked to the contrary below**).

- [] KWOK YAM IAN CHAN
- [] LINA G. FERNANDEZ
- [] ANDREW JULIAN K. ROMUALDEZ
- [] BERNARDO M. VILLEGAS – (Independent Director)

- [] **Withhold Authority** to vote for all nominees listed above

Instruction: To withhold authority to vote for any individual, mark the “FOR” box above and mark the box corresponding to the particular nominee with regard to whom authority is withheld

Instruction: Mark under the corresponding column to Vote for “Approval”, “Against” or “Abstain”

	Vote for Approval	Vote Against	Abstain
2. Minutes of the Annual Stockholders’ Meeting held on November 9, 2022.	[]	[]	[]
3. Management Report and Audited Financial Statements for 2022.	[]	[]	[]
4. Extension of Term/Retention of Mr. Bernardo M. Villegas as Independent Director.	[]	[]	[]
5. Re-appointment of Sycip Gorres Velayo and Company (SGV) as the independent external auditor of the Company.	[]	[]	[]
6. Ratification of all acts, contracts, investments, resolutions and proceedings made and entered into by Management and/or the Board of Directors since November 8, 2022 until the date of 2023 Annual Stockholders’ Meeting.	[]	[]	[]
7. At their discretion, the Proxies are authorized to vote upon such other matters as may properly come before the meeting and which are not known to management at a reasonable time, including to adjourn the meeting for up to ninety (90) days from November 8, 2023 if the election of directors is enjoined at the meeting date.	[]	[]	[]

To be valid, this ballot/proxy must be signed and received by the Office of the Corporate Secretary/Stockholders Relations Office no later than 3:00 p.m., November 7, 2023. Validation of proxies will be on November 7, 2023 at 3:00 p.m. at the Company’s Board Room. In the event a stockholder decides to attend the meeting, he may, if he wishes, revoke his proxy and register on or before November 3, 2023 so he can cast vote in absentia.

Please sign your name(s) exactly as printed in this proxy, if shares are held in joint account, each joint owner should sign.

Printed Name/Signature of Stockholder(s)

Date Signed

This ballot/proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made in a proxy, such proxy will be voted “FOR” the election of all nominees and “FOR” the approval of the matters stated in item 2, 3, 4, 5, and 6 above and “FOR” such other matters as may properly come before the meeting and which are not known to management at a reasonable time, including to adjourn the meeting for up to ninety (90) days from November 8, 2023 if the election of directors is enjoined at the meeting date. The grant of authority in the election of directors is subject to the lifting of TRO. In case no election of directors is held on the date of the Annual Stockholders’ Meeting on November 8, 2023, the proxy will still be valid for ninety (90) days from said date, or up to February 6, 2024 and can still be exercised in the event the TRO is lifted after the November 8, 2023 Stockholders’ Meeting and an election is ordered within the said ninety (90) day-period, the proxy will still be valid and can be exercised. Information required in a proxy form may be found in Part II of the Information Statement.

THE PROXY IS SOLICITED ON BEHALF OF THE MANAGEMENT OF BENGUET CORPORATION

1 1 3 4 1

SEC Registration Number

B E N G U E T C O R P O R A T I O N

(Group's Full Name)

7 t h F l o o r , U n i v e r s a l R e B u i l d i n g ,
1 0 6 P a s e o d e R o x a s , M a k a t i C i t y

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

Mr. Reynaldo P. Mendoza

(Contact Person)

8812-1380

(Group Telephone Number)

1 2 3 1

Month Day
(Calendar Year)

2 0 - I S

(Form Type)

1 1 0 8

Month Day
(Annual Meeting)

Not Applicable

(Secondary License Type, If Applicable)

MSRD

Dept. Requiring this Doc.

Amended Articles Number/Section

16,887

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
[] Preliminary Information Statement
[x] Definitive Information Statement
2. Name of Registrant as specified in its Charter: BENGUET CORPORATION
3. METRO MANILA, PHILIPPINES
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number: 11341
5. BIR Tax Identification Code: 000-051-037
6. 7th FLOOR UNIVERSAL RE-BUILDING, 106 PASEO DE ROXAS, MAKATI CITY 1226
Address of principal office Postal Code
7. Registrant's telephone number, including area code: 02 88121380
8. November 8, 2023 3:00 p.m., at the Board Room of Benguet Corporation, 7th Floor, Universal Re Building. 106 Paseo de Roxas, 1226 Makati City, Philippines (VIRTUALLY)
Date, time and place of the meeting of security holders
9. Approximate date on which the Information Statement is first to be sent or given to security holders:
As soon as practicable after the approval of the Definitive Information Statement by the Commission but not later than October 9, 2023
10. In case of Proxy Solicitations:
Name of Person Filing the Statement/Solicitor: Management of Benguet Corporation
Address : 7F Universal Re-Building, 106 Paseo de Roxas, Makati City, Philippines
Telephone No.: (632) 8812-1380
11. Securities registered pursuant to Sections 8 and 12 of the Code (information on number of shares and amount of debt is applicable only to corporate registrants):
- | <u>Title of Each Class</u> | <u>Number of Shares of Common Stock Outstanding & Amount of Debt Outstanding</u> |
|-------------------------------------|--|
| Convertible Preferred Class A share | 217,061 |
| Common Class A share | 375,120,008* |
| Common Class B share | 248,064,121* |
- (* – Net of Treasury Shares
Total consolidated outstanding principal loans as of June 30, 2023 - ₱ 85.06 million
12. Are any or all of registrant's securities listed on a Stock Exchange? Yes [X] No []
If so, disclose the name of such Stock Exchange and class of securities listed therein:

The Issuer's Common Class A and B and Convertible Preferred Class A shares are listed in the Philippine Stock Exchange (PSE).

PART I. INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Meeting of Security Holders

The Annual Stockholders' Meeting (ASM) of Benguet Corporation ("BenguetCorp" or "the Company") will be held on Wednesday, November 8, 2023 at 3:00 o'clock p.m. at the Company's Board Room. The ASM will be conducted virtually via livestreaming. The Company's mailing address is 7th Floor Universal Re-Building, 106 Paseo de Roxas, 1226 Makati City, Philippines.

The Information Statement and form of proxy containing management report and other pertinent documents shall be made available to the security holders in electronic copy to the Company website: www.benguetcorp.com or may be accessed in the online system of PSE Edge Portal: <https://edge.pse.com.ph>, as practicable after the approval of the Definitive Information Statement by the Securities and Exchange Commission but not later than October 9, 2023.

Item 2. Dissenters' Right of Appraisal

Although the following actions are not among the matters to be taken up during the Annual Stockholders' Meeting, the stockholders are herein apprised of their appraisal rights pursuant to Title X of the Revised Corporation Code of the Philippines. A stockholder shall have the right to dissent and demand payment of fair value of the share in case he voted against the following proposed corporate actions: (a) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or extending or shortening the term of corporate existence; (b) in case of sale, lease, exchange, transfer, mortgage, pledge or other dispositions of all or substantially all of the corporate property and assets; and (c) in case of merger or consolidation.

The appraisal right may be exercised by the dissenting stockholder by making a written demand for payment of the fair value of his shares on the company within thirty (30) days after the date on which the vote was taken and within ten (10) days after demanding payment of his shares, he shall submit the certificate of stocks representing his shares to the Company for notation thereon that such shares are dissenting shares. If the proposed corporate action is implemented and if there is agreement as to the fair value of the shares, the Company shall pay the fair value of the shares to such stockholder upon surrender and transfer of the certificate of stocks. The fair value of the share shall be determined as to be the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate actions. Provided, that no payment shall be made to any dissenting stockholder, unless the Company has unrestricted retained earnings in its books to cover such payment. If within a period of sixty (60) days from the date the corporate action was approved, the withdrawing stockholder of the Company cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the dissenting stockholder, another by the company and the third by the two previously chosen. The findings of the majority of the appraisers will be final and the award shall be paid by the company within thirty (30) days after the award notification is made. Upon payment of the agreed or awarded price, the stockholder shall forthwith transfer his share to the company. From the time of demand for payment of the fair value of the stockholder shares, all rights accruing to such shares, including voting and dividend rights, shall be suspended.

Item 3. Interest of Certain Persons in Matters To Be Acted Upon

Other than the nominees for election as directors, no director, nominee, associate of the nominees or officer of the Company at any time since the beginning of the last fiscal year, had any substantial interest, directly or indirectly, by security holdings or otherwise, in any of the matters to be acted upon in the stockholders' meeting, other than election to office. No director has informed the Company in writing that he intends to oppose any action to be taken by the Company at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

a. Class of Voting Shares

The Company has three classes of stock, two of which (the Common Class A and the Convertible Preferred Class A) can be owned only by Philippine citizens because the Company is engaged in the mining business. Under Philippine law, at least sixty percent (60%) of the outstanding capital stock of a corporation engaged in mining must be owned by Philippine citizens. The other class of the Company's stock is its Common Class B which may be owned by anyone regardless of nationality or citizenship.

As of August 31, 2023, there are 217,061 shares outstanding of the Company's Convertible Preferred Class A stock, 375,120,008 shares outstanding of its Common Class A stock and 248,064,121 shares outstanding of its Common Class B stock. The equity ownership of foreign stockholders of the Company is 82,770,535 Common class "B" shares or 13.27% of its total outstanding Common Class B shares. Each share of stock outstanding is entitled to one vote. Holders of the Company's Convertible Preferred Class A stock and Common Class A stock are entitled to nominate and elect seven (7) out of the eleven (11) members of the Board of Directors. Holders of the Company's Common Class B shares are entitled to nominate and elect four (4) out of the eleven (11) members of the Board of Directors.

Conversion Premium of Convertible Preferred Class A Shares – After the 25% stock dividend which was paid on July 20, 1990, the holders of Convertible Preferred Class A may, at their option, convert such shares into 9.4875 shares of Common Class A stock with Par Value of ₱1.00 per share of the Company and upon payment of a conversion premium which shall be an amount equal to the earnings per share of common stock (Common Class A and Common Class B) averaged over the immediately preceding 5-year period, multiplied by a factor of 6; provided, however, that the sum of the par value of the Convertible Preferred Class A shares being converted and the conversion premium so determined shall in no case be less than the book value per share of the common stock (Common Class A and Common Class B) outstanding. The conversion premium is ₱12.48 a share in 2022. The proceeds of the conversion premium will be used for general corporate purposes and for working capital of the Company.

b. Record Date and Share Ownership

Only holders of the Company's stock of record at the close of business on September 19, 2023, are entitled to notice of, and to vote at the Annual Stockholders' Meeting to be held on November 8, 2023.

c. Cumulative Voting Rights

In the election of directors, stockholders may vote only for those directors nominated for the class of shares owned by them, either in person or by proxy. Any stockholder may cumulate his shares since cumulative voting is authorized under the Philippine Corporation Code and will be used in the election of directors at the meeting. On this basis, each holder of Convertible Preferred Class A and Common Class A stocks may vote the number of shares registered in his name for each of the seven (7) directors to be elected by said classes of stock, or he may multiply the number of shares registered in his name by seven (7) and cast the total of such votes for one (1) director or he may distribute his votes calculated as above described among some or all of the seven (7) directors to be elected by the said classes of stockholders, as he elects. Each holder of Common Class B may do the same thing in respect of the four (4) directors to be elected by Common Class B shareholders (but multiplying by four (4) rather than by seven (7)). The proxies propose to use their discretion in cumulating votes.

d. Security Ownership of Certain Record and Beneficial Owners and Management

1) Security Ownership of Certain Record and Beneficial Owners: - The following table sets forth certain information about persons (or "groups" of persons) known by the Company to be directly or indirectly the record and/or beneficial owner of more than five percent (5%) of any class of the Company's outstanding capital stocks as of August 31, 2023:

Title of Class	Name, Address of Record Owner And Relationship with Issuer	Name of Beneficial Owner & Relationship w/ Record Owner	Citizenship	Number of Shares Held	Percent Per Class
	PCD Nominee Corp. (Filipino), 29 th Floor, BDO Equitable Tower, 8751		Filipino	180,944, 441	48.20%

Class A Common	Paseo de Roxas, Makati City.	(see note ¹)			
	Palm Ave. Holding Company, Inc. 3F Universal Re-Building, 106 Paseo de Roxas, Makati City (Stockholder)	(see note ²)	Filipino	65,624,727	17.48%
	Palm Avenue Holdings Company and/ or Palm Avenue Realty Corporation, Metro Manila, Phil. Sequestered by the Republic of the Phil. 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	17.03%
	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	8.21%
Class A Convertible Preferred	PCD Nominee Corp. (Filipino), 29 th Floor BDO Equitable Tower, 8751 Paseo de Roxas, Makati City.	(see note ¹)	Filipino	65,722	30.28%
	Fairmount Real Estate c/o PCGG 6 th Floor, PhilComcen Bldg., Ortigas Avenue cor. San Miguel Avenue, Pasig City (Stockholder)	(see note ³)	Filipino	59,262	27.30%
Class B	PCD Nominee Corp. (Filipino), 29 th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City.	(see note ¹)	Filipino	116,296,137	46.87%
	Palm Avenue Realty & Development Corporation, 3F Universal Re-Building,	(see note ²)	Filipino	43,680,000	17.61%

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 of Benguet Corporation are to be voted. PCD, the central depository or lodging house where all securities brokers lodge scripless certificates, is not in any way related to the issuer.

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 9, 2022 Annual Stockholders’ Meeting of the Company, the Palm Companies issued a proxy in favor of its legal counsels, Attys. Otilia Dimayuga-Molo/Andrea Rigonan-Dela Cueva, to vote in all matters to be taken up in the stockholders’ meeting.

³ The Company is not aware of who are the beneficial owner/s of the stocks issued to Fairmount Real Estate which stocks were sequestered by the Presidential Commission on Good Government (PCGG). In the past stockholders’ meetings of the Company, the stocks of Fairmount Real Estate were not voted by any persons or proxies.

Common	106 Paseo de Roxas, Makati City (Stockholder)				
	CEDE & CO. (Non-Filipino), P.O. Box 20, Bowling Green Stn., New York, NY 1400	(see note ⁴)	American	29,674,860	11.96%
	PCD Nominee (Non-Filipino) 29 th 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 Corporation who own more than five percent (5%) of the Company's voting securities as of August 31, 2023:

Title of Class	Name, Address of Participant 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	16.76%
Class B Common		(see note ⁵)	Filipino	60,108,441	24.23%

2) Security Ownership of Management – As of August 31, 2023 below are information as to each class of securities of the Company beneficially owned by directors and officers. The Company is not aware of any indirect beneficial ownership of its directors and officers.

Title of Class	Name of Beneficial Owner	Citizenship	Amount and nature of beneficial ownership	Percent Per Class
Class A Common	Maria Remedios R. Pompidou	Filipino	15	0.00%
Class A Common	Rhodora L. Dapula	Filipino	1	0.00%
Class A Common	Carlos Alfonso T. Ocampo	Filipino	1	0.00%
Class A Common	Elmer B. Serrano	Filipino	1	0.00%
Class A Common Class B Common	Anthony M. Te	Filipino	115,503	0.03%
			77,000	0.03%
Class A Common Class B Common	Luis Juan L. Virata	Filipino	234,003	0.06%
			69,600	0.03%
Class A Common Class B Common	Andrew Patrick R. Casiño	Filipino	3	0.00%
			3	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 9, 2022 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.

Class A Common Class B Common	Andrew Julian K. Romualdez	Filipino	1,000	0.00%
			1,000	0.00%
Class B Common	Bernardo M. Villegas	Filipino	3	0.00%
Class B Common	Kwok Yam Ian Chan	Filipino	1	0.00%
Class A Common Class B Common	Lina G. Fernandez	Filipino	152,166	0.04%
			108,400	0.04%
Class A Common	Reynaldo P. Mendoza	Filipino	126,866	0.03%
Class A Common Class B Common	Max D. Arceño	Filipino	1,533	0.00%
			84,700	0.03%
Class A Common Class B Common	Pamela M. Gendrano	Filipino	5,638	0.00%
			13,000	0.00%
Common Class A	Emmanuel M. Puspos	Filipino	5,100	0.00%
Class A Common Class B Common	Hermogene H. Real	Filipino	240,600	0.06%
			125,300	0.05%
As a Group				
Class A Convertible Preferred	Filipino		59,262 shares ⁵	27.30%
Class A Common	Filipino		224,192,842 shares ⁶	59.72%
Class B Common	Filipino		104,267,448 shares ⁷	42.03%

- 3) Voting Trust Holders/Changes in Control - There are no voting trust holders of 5% or more of the Company' stock. There are no arrangements that may result in a change of control of the Company.

Status of the Temporary Restraining Order (TRO)

As of the date of this statement, the election of directors is still enjoined under the Temporary Restraining Order (TRO) issued by the Philippine Supreme Court. Unless such TRO is set aside to allow an election, no election can be held. The incidents leading to the above-mentioned TRO are as follows: - In the second quarter of 1986, 16.2 million Common Class A shares at Par Value of

⁵ Include 59,262 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 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 shares, the record owner of which is Palm Avenue Holding Co., Inc. and 62,930,820 shares, the record owner of which is RYM Business Management Corporation (PCD Nominee).

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

₱3.00/share of Benguet Corporation registered in the name of Palm Avenue Holdings Corporation and Palm Avenue Realty Corporation were sequestered by the Presidential Commission on Good Government (PCGG), on the ground that the beneficial owner of the shares allegedly being Benjamin Romualdez, the brother-in-law of former President Ferdinand Marcos. The PCGG has voted these Class A shares during the annual stockholders' meeting from 1986 up to 1991. In the annual stockholders' meeting held in May of 1992, the Palm Avenue Companies nominated and voted for Benjamin Philip G. Romualdez and Ferdinand Martin G. Romualdez pursuant to a resolution of the Sandiganbayan (anti-graft court) dated May 25, 1992 allowing the Palm Avenue Companies as registered owners of sequestered shares to exercise voting rights of shares subject of litigation regarding the legal ownership over said shares. Just before the start of the 1993 stockholders' meeting, a Temporary Restraining Order (TRO) issued by the Philippine Supreme Court in connection with a pending PCGG case enjoined the Company from conducting the election of directors scheduled on said date or on any later date until further orders of the Court. The 1993 meeting, however, continued as to any other matters in the agenda. Since then the TRO has not been lifted. Thus, the Board deferred the holding of the 1994 Annual Stockholders' meeting scheduled on May 31, 1994. From 1995 to 2003, 2005 to 2016 and 2018 to 2022, the Annual Stockholders' Meetings were held but no elections of directors were conducted. A consolidated judgment of the Supreme Court on January 23, 1995 nullified and set aside the above-mentioned Sandiganbayan resolution of May 25, 1992 allowing the Palm Avenue Companies to vote the sequestered shares, but it maintained the effectivity of the TRO which the Supreme Court previously issued subject to the power of the Sandiganbayan (the anti-graft court) to modify or terminate the TRO. If the TRO is lifted by the Sandiganbayan (anti-graft court) or the Supreme Court, then the elections of the directors will be held consistent with the Supreme Court consolidated judgment of January 23, 1995.

On September 1, 1986, the registered owner of the sequestered shares and Benguet Management Corporation (BMC), a 100%-owned subsidiary of the Company, agreed on the purchase by BMC of 9.5 million of the sequestered shares. Three million of these 9.5 million shares were purchased by employees of the Benguet Group of Companies under the Employees Stock Ownership Incentive Plan (ESOIP) approved by shareholders at their July 3, 1986 special meeting. The balance of 6.5 million shares purchased were then held in trust by Far East Bank & Trust Company (FEBTC) under a trust account established by BMC as trustor for the benefit of the Republic of the Philippines, represented by the PCGG for subsequent disposition to the public at some future date. This remaining 6.5 million shares later became 8,222,500 after the 10% and 15% stock dividends declared in 1988 and 1989, then became 16,445,000 after the 100% stock dividend paid in October, 1989. The validity of the Contract of Sale was upheld by the Supreme Court of the Republic of the Philippines in Benguet's favor.

Upon instructions of PCGG, BMC sold 8.2 million shares of the above-mentioned remaining shares at a public auction but excluding the right to receive the 100% stock dividend which the Company paid on October 10, 1989 to shareholders of record as of August 26, 1989. The sale at public auction was held on September 27, 1989, with Rizal Commercial Banking Corporation ITF various accounts as the highest bidder for the 6.18 million shares. The remaining 2 million shares were sold to FEBTC as trustee for the Employees Stock Ownership Incentive Plan (ESOIP), being one of the winning bidders. In a Supreme Court Resolution dated June 23, 1992, the remaining unsold 100% stock dividend of 8.2 million shares (now 10,278,125 shares after the 25% stock dividend paid on July 20, 1990), which were then registered in the name of Republic of the Philippines were declared to be still part of the Palm Avenue Companies shares under sequestration and likewise subject to litigation as the other sequestered stocks. The Presidential Commission on Good Government also sequestered Fairmount Real Estate, Inc. and Independent Realty Corp. on April 14, 1986 and March 6, 1986, respectively, being companies that are alleged to be beneficially owned by former President Marcos. Among the sequestered assets of these companies are shareholdings in Benguet Corporation.

Item 5. Directors and Executive Officers

- I. One of the stated purposes of the Annual Stockholders' Meeting is the election of directors. If the Temporary Restraining Order (TRO) issued by the Supreme Court is lifted at any time prior to November 8, 2023 Annual Stockholder's Meeting, the election of Directors will be held. In the November 9, 2022 Annual Stockholders' Meeting, there was no election of directors held because the 1993 TRO

issued by the Supreme Court enjoining the election of directors remained in force. Thus, the incumbent directors of the Company continue to remain in office on holdover capacity until their successors are elected and qualified.

Below is a summary of attendance of the following incumbent Directors of the Company in the Board of Directors' meetings for the year 2022:

Name of Directors	Name	Date of Election/ Appointment	No. of Meetings Held During the Year	No. of Meetings Attended	% Attended
Chairman / Independent	Bernardo M. Villegas*	Nov. 07, 2019	5	5	100%
Member	Maria Remedios R. Pompidou	Oct. 25, 2000	5	4	80%
Member	Luis Juan L. Virata	Aug. 08, 1995	5	5	100%
Independent	Rhodora L. Dapula	Aug. 16, 2018	5	5	100%
Member	Jose Raulito E. Paras **	Aug. 16, 2018	5	5	100%
Independent	Reginald S. Velasco ***	Aug. 16, 2018	5	5	100%
Member	Andrew Patrick R. Casiño	June 04, 2020	5	5	100%
Member	Kwok Yam Ian Chan	Sep. 25, 2020	5	5	100%
Member	Anthony M. Te	Sep. 25, 2020	5	5	100%
Member	Lina G. Fernandez	Mar. 18, 2021	5	5	100%
Member	Andrew Julian K. Romualdez****	Aug. 24, 2022	5	4	100%
Member	Carlos Alfonso T. Ocampo*****	Aug. 30, 2023	5	0	0%
Independent	Elmer B. Soriano*****	Aug. 30, 2023	5	0	0%

(*) *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 designated as Independent Director since 2002.*

(**) *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.*

(****) *Mr. Andrew Julian K. Romualdez was appointed as Director August 24, 2022. There were 4 meetings held after his appointment.*

(*****) *Messrs. Carlos Alfonso T. Ocampo and Elmer B. Soriano were appointed as Director and Independent Director, respectively on August 30, 2023.*

Below is a summary of attendance of the following incumbent Directors of the Company in the Board Committee meetings for the year 2022:

Name of Directors	No. of Committee Meetings Held	No. of Meetings Attended	% Attended
Bernardo M. Villegas	4	4	100%
Rhodora L. Dapula	2	2	100%
Andrew Patrick R. Casiño	2	2	100%
Anthony M. Te	1	1	100%
Reginald S. Velasco *	1	1	100%
Jose Raulito E. Paras **	1	1	100%

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

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

Listed below are the training and continuing education attended by the members of the Board of Directors and officers:

Name of Directors/Officers	Date of Training	Program	Name of Training Institution
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Bernardo M. Villegas	November 11, 2022	Fostering Good Corporate Governance in the New Normal	Center for Training and Development, Inc.
Reginald S. Velasco*	November 11, 2022	Fostering Good Corporate Governance in the New Normal	Center for Training and Development, Inc.
Lina G. Fernandez	November 11, 2022	Fostering Good Corporate Governance in the New Normal	Center for Training and Development, Inc.
Ma. Remedios R. Pompidou	November 11, 2022	Fostering Good Corporate Governance in the New Normal	Center for Training and Development, Inc.
Joselito E. Paras**	November 11, 2022	Fostering Good Corporate Governance in the New Normal	Center for Training and Development, Inc.
Andrew Patrick R. Casiño	November 11, 2022	Fostering Good Corporate Governance in the New Normal	Center for Training and Development, Inc.
Rhodora L. Dapula	November 11, 2022	Fostering Good Corporate Governance in the New Normal	Center for Training and Development, Inc.
Luis Juan L. Virata	November 11, 2022	Fostering Good Corporate Governance in the New Normal	Center for Training and Development, Inc.
Kwok Yam Ian Chan	August 25, 2022	Fostering Good Corporate Governance in the New Normal	Center for Training and Development, Inc.
Anthony M. Te	August 25, 2022	Fostering Good Corporate Governance in the New Normal	Center for Training and Development, Inc.
Reynaldo P. Mendoza	November 11, 2022	Fostering Good Corporate Governance in the New Normal	Center for Training and Development, Inc.
Max D. Arceño	November 11, 2022	Fostering Good Corporate Governance in the New Normal	Center for Training and Development, Inc.
Valeriano B. Bongalos, Jr.	November 11, 2022	Fostering Good Corporate Governance in the New Normal	Center for Training and Development, Inc.
Pamela M. Gendrano	November 11, 2022	Fostering Good Corporate Governance in the New Normal	Center for Training and Development, Inc.
Andrew Patrick R. Casino	November 11, 2022	Fostering Good Corporate Governance in the New Normal	Center for Training and Development, Inc.
Andrew Julian K. Romualdez	November 11, 2022	Fostering Good Corporate Governance in the New Normal	Center for Training and Development, Inc.

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

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

The corresponding age, citizenship, brief descriptions of business experiences for the past five (5) years including directorships in listed companies, and the positions currently held by the incumbent Directors who are nominees for election at the Annual Stockholders' Meeting are set forth below:

Representing Holders of Common Class A and Convertible Preferred Class A Stocks of the Company:

MARIA REMEDIOS R. POMPIDOU, 56 years old, Filipino, Director

Ms. Pompidou first became a Director of the Company by appointment on October 25, 2000. 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 Sequoia 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, 69 years old, Filipino, Director, Member of the Related Party Transactions Committee

Mr. Virata, first became a Director of the Company by appointment on August 8, 1995. He is a major shareholder of listed company, Nickel Asia Corporation. He is the Chairman and primary 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. He is a Board Member of the Huntsman Foundation and a Trustee of the

Metropolitan Museum of Manila and Asia Society of the Philippines. 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, 56 years old, Filipino, Director, Member of Audit Committee

Atty. Casiño first became a Director of the Company by appointment on June 4, 2020. He is a litigation lawyer with more than 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. Atty. Casiño passed the Philippine Bar Examinations in 1991 and New York State Bar Examinations in 1996.

ANTHONY M. TE, 53 years old, Filipino, Director, Member of Executive Committee, Salary and Stock Option Committee and Nomination Committee

Mr. Te first became a Director of the Company by appointment on September 25, 2020. 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 Marventures Mining and 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 of 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, 57 years old, Filipino, Director

Atty. Ocampo first became a Director of the Company by appointment on August 30, 2023. He is Senior Partner of Ocampo & Manalo Law Firm established in 1997. He is currently an Independent Director of publicly-listed companies EEI Corporation and Marcventures Holdings Inc,. He is a member of the Board in 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., and Manila Golf & Country Club. 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 Management and earned the Certificate in International Finance from Harvard Law School at Harvard University, Executive Education and Certificate in Economic Development, John F. Kennedy School of Government at Harvard University, Executive Education.

RHODORA L. DAPULA, 45 years old, Filipino, Independent Director, Chairman of the Audit Committee; Member of the Corporate Governance Committee

Atty. Dapula first became an Independent Director of the Company by appointment on August 16, 2018. 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. 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, 55 years old, Filipino, Independent Director

Atty. Serrano first became an Independent Director of the Company by appointment on August 30, 2023. He is the Managing Partner of the law firm SERRANO LAW. He is a practicing lawyer specializing in Corporate and Mergers and Acquisitions, Banking and Finance and Capital Markets. His practice focuses on projects, debts and equity offerings, acquisitions and joint ventures particularly in the sectors of banking, logistics, insurance, shipping, real estate, energy, gaming and mining. He is Chairman of Dominion Holdings, Inc., Director of EEI Corporation and 2GO Group Inc.; and Independent Director of Philippine Telegraph and Telephone Corporation. He also serves as Corporate Secretary of SM Investments Corporation, SM Prime Holdings, Inc., Premium Leisure Corporation, 2GO Group, Inc., and Atlas Consolidated Mining and Development Corporation. He is also Corporate Secretary and counsel to the premier industry associations and companies such as the Bankers Association of the Philippines, Philippines Payments Management, Inc. and the PDS Group. Atty. Serrano is a Certified Associate Treasury Professional and graduated 10th in his 2001 class at the Trust Institute of the Philippines. 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, 84 years old, Filipino, Chairman of the Board, Independent Director; Chairman of the Nomination and Election Committee, Corporate Governance Committee and Related Party Transaction Committee; Member of the Executive Committee, Board Risk Oversight Committee, Audit Committee and Salary & Stock Option Committee

Mr. Villegas 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 29, 2002. He is currently Chairman and Independent Director of listed company, Filipino Fund, Inc. and Independent Director of listed companies: DMCI Holdings, Inc. and Abacore Capital 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, Insular Life Assurance Company, Ltd. (2000 to present); Director, PHINMA Properties (2011 to present); Director, Dualtech Foundation (1998 to present); Columnist, Manila Bulletin (1964 to present); and Professor, University of Asia and the Pacific (1989 to present). Formerly, he was Independent Director of First Metro Philippine Equity Exchange Traded Fund, Inc. (2010-2022); 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 and obtained bachelor's degrees in Commerce and Humanities (both Summa Cum Laude) from De La Salle University.

KWOK YAM IAN CHAN, 36 years old, Filipino, Director, Member of Executive Committee

Mr. Chan first became a Director of the Company by appointment on September 25, 2020. He is currently an Independent Director of listed companies, Marcventures Holdings, Inc. and Bright Kindle Resources and Investments, Inc. He is Managing Director of Zenith System and Heavy Equipment,

Seaborne Shipping Inc. Isky Empire Realty Inc., King Dragon Realty Corporation, Armstrong Securities 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, 59 years old, Filipino, Director, Member of Executive Committee

Atty. Fernandez 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-March 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 and Construction Corporation, 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, 23 years old, Filipino, Director, Member of Nomination and Election Committee

Mr. Romualdez 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 Corporation (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 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.

II. Executive Officers

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

Name	Position
Lina G. Fernandez	President and Director
Reynaldo P. Mendoza	Executive Vice President and Asst. Corporate Secretary
Max D. Arceño	Senior Vice President-Finance & Treasurer and Compliance Officer for Corporate Governance
Valeriano B. Bongalos, Jr.	Vice President / Resident Manager- Benguet District Operations
Pamela M. Gendrano	Assistant Vice President- Environmental Compliance and Chief Risk Officer
Engr. Emmanuel M. Puspos	Assistant Vice President for Mining and Business Development
Hermogene H. Real	Corporate Secretary

None of the executive officers of the Company are government employees.

Below are their respective ages, citizenships, positions held in the Company and its subsidiaries and brief description of business experiences.

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

REYNALDO P. MENDOZA, Filipino, 67 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 as 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 Batong Buhay Mineral Resources Corp., Benguet Pantukan Gold Corporation, Berec Land Resources, Inc., Balatoc Gold Resources Corporation, Sagittarius Alpha Realty 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); 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, 61 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 on 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 (formerly Benguetcorp Nickel Mines, Inc.), Benguet Management Corporation, BMC Forestry Corporation, Berec Land Resources, Inc., BC Property Management, Inc., Batong Buhay Mineral Resources Corporation, Acupan Gold Mines, Inc. and Pillars and Exemplary, Inc.; Director, Vice President and Treasurer of Benguet Pantukan Gold Corporation; and Director of Balatoc Gold Resources Corporation, Sagittarius Alpha Realty Corp., Agua de Oro Ventures, Inc. and Ifaratoc Mineral Resources Corp. 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, then 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., 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, 56 years old, is the Assistant Vice President for Environmental Compliance since November 6, 2019. She was also appointed as Chief Risk Officer on 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 licensed Mining Engineer.

HERMOGENE H. REAL, Filipino, 67 years old, has been 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 Holdings, Inc. (2021 to present). She is also Director of Arrow Freight and Construction Corporation; Director of Benguetcorp Laboratories, Inc.; 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 High Reliance Holdings Company, Inc. (2021 to present); Director/Treasurer of Golden Peregrine Holdings, Inc. (January 2022 to present); and Director Bright Star Mineral Resources and Development Corporation (March 2022 to present). She is also Corporate Secretary of Benguetcorp Resources Management Corporation, Corporate Secretary of Universal Re Condominium Corporation; Assistant Corporate Secretary, Doña Remedios Trinidad Romualdez Medical Foundation, Inc. (1996 to present); and Practicing Lawyer, D. S. Tantuico and Associates (1998 to present).

NOMINEES FOR ELECTION AT ANNUAL STOCKHOLDERS' MEETING ON NOVEMBER 8, 2023

The Nomination and Election Committee determined that all the nominees possess all the qualifications and none of the disqualification for nomination and election to the Company's Board of Directors pursuant to the provisions of the Code of Corporate governance for Publicly-Listed Companies, as the same was adopted in the Company's 2017 Revised Manual on Corporate Governance.

The Nomination and Election Committee is chaired by Independent Director, Mr. Bernardo M. Villegas and the members are Mr. Anthony M. Te and Mr. Andrew Julian K. Romualdez, both regular Directors.

Nominees for Election at Annual Stockholders' Meeting:

The following have been nominated for election to the Company's Board of Directors at the Annual Stockholders' Meeting. The nominees are all incumbent Directors of the Company. Their respective present positions and period served are as follows:

A. Representing Holders of Class "A" & Convertible Preferred Class "A" Stocks:

Name	Position	Period Served
Maria Remedios R. Pompidou	Director	Since October 25, 2000
Luis Juan L. Virata	Director	Since August 18, 1995
Andrew Patrick R. Casiño	Director	Since June 4, 2020
Anthony M. Te	Director	Since September 25, 2020
Carlos Alfonso T. Ocampo	Director	Since August 30, 2023
Rhodora L. Dapula	Independent Director	Since August 16, 2018
Elmer B. Serrano	Independent Director	Since August 30, 2023

B. Representing Holders of Common Class "B" Stocks:

Name	Position	Period Served
Bernardo M. Villegas	Chairman of the Board/ Independent Director	Independent Director since 2002 and Chairman of the Board since November 7, 2019. He served as Director of the Company since June 25, 1998 prior to the issuance of SEC MC No. 16 dated November 29, 2002.
Kwok Yam Ian Chan	Director	Since September 25, 2020
Lina G. Fernandez	Director	Since March 18, 2021
Andrew Julian K. Romualdez	Director	Since August 24, 2022

The experience and background of the nominees are shown in Item 5.I above.

Independent Director

In the nomination of Independent Directors, nominees Mr. Bernardo M. Villegas was nominated by Ms. Shirley S. Cueva; Atty. Rhodora L. Dapula was nominated by Ms. Daisy A. Mejia; and Atty. Elmer B. Serrano was nominated by Rebecca R. Rapisura. They are stockholders of the Company and have no relationship with the nominees for independent director. The nominees have accepted their nominations in writing. The Nomination and Election Committee reviewed the nominees' business relationship and activities to ensure that they possessed all the qualifications and none of the disqualifications for independent directors prescribed in Rule 38 of 2015 SRC Rules, the Code of Corporate Governance for Public Listed Companies and the rules on the term limit of independent directors in accordance with SEC Memorandum Circular No. 4, Series of 2017. The sworn certificate of qualifications of the Company's Independent Directors are attached as Annexes "D", "E", and "F" for Mr. Villegas, for Atty. Dapula, and for Atty. Serrano, respectively.

There are no other nominees for election as director or independent director submitted to the Corporate Secretary. Article III, Section 1.1 of the Amended By-Laws of the Company provides that nomination shall be submitted in writing to the Corporate Secretary not later than forty five (45) days prior to the date of the meeting or on or before September 24, 2023.

No Director and Nominee has resigned or declined to stand for re-election to the Company's Board of Directors due to disagreement on any matter.

Resignation of a Director

Mr. Reginald S. Velasco, 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 resigned effective July 7, 2023, as approved by the Board of Directors on August 30, 2023. His resignation was due to personal reasons.

Mr. Jose Raulito E. Paras, member of the Company's Board of Directors, Board Risk Oversight Committee and Related Party Transactions Committee resigned effective August 30, 2023, as approved by the Board of Directors on August 30, 2023. His resignation was due to personal reasons and other professional commitments.

Extension of Term/Retention of Mr. Bernardo M. Villegas as Independent Director After Having Served the Maximum of Nine (9) Years Term Limit

Mr. Bernardo Villegas' tenure as independent director is beyond the maximum cumulative term of nine (9) years with 2012 as reckoning date pursuant to SEC Memorandum Circular No. 4 Series of 2017. Despite this, Ms. Shirley Cueva nominated Mr. Villegas to be retained as independent director because the Company continues to benefit from his guidance based on his business acumen and extensive professional experience. During the regular meeting of the Company's Board of Directors held on August 30, 2023, the Board approved the extension of term/retention of Mr. Villegas as one of the Company's Board of Directors.

Submitted for approval by the stockholders is the extension of term/retention of Mr. Bernardo M. Villegas as independent director.

A VOTE OF THE STOCKHOLDERS REPRESENTING MAJORITY OF THE OUTSTANDING CAPITAL STOCK OF THE COMPANY IS REQUIRED FOR THE EXTENSION OF TERM/RETENTION OF MR. BERNARDO M. VILLEGAS AS INDEPENDENT DIRECTOR.

MANAGEMENT RECOMMENDS A VOTE FOR THE EXTENSION OF TERM/RETENTION OF MR. BERNARDO M. VILLEGAS AS INDEPENDENT DIRECTOR.

Significant Employees

Other than the executive officers, other employees are expected by the Company to make significant contributions 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

To the best of the Company's knowledge, there has been no occurrence during the past five (5) years up to the date of this Information Statement which are material to the evaluation of ability of integrity of any director, any nominee for election as director, executive officer, underwriter or control person of the Company and none of them has been involved in any legal proceeding, including without limitation being the subject of –

- a. bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to that time;
- b. conviction by final judgment including the nature of the offense, in a criminal proceeding, domestic or

- foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- c. order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities commodities or banking activities; and
 - d. order or judgment of a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization finding him/her to have violated a securities or commodities law or regulation.

Certain Relationship and Related Transactions

Parties are considered to be related if one party has the ability, directly, or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely its legal form.

The Company established Related Party Transactions (RPT) Committee, tasked among others, to evaluate and review material related party transactions of the Company. The RPT Committee is composed of three (3) directors, chaired by Independent Director, Mr. Bernardo M. Villegas and the members are Mr. Luis Juan L. Virata and Ms. Lina G. Fernandez.

In the last two (2) years, the Company has not been a party in any transaction or proposed transactions in which a director or executive officer of the Company, any nominee for election as director, any security holder owning more than 10% of the Company's issued and outstanding shares and/or any member of his immediate family had a material interest adverse to the Company or any of its subsidiaries. The Company has no parent company.

Please refer to Note - 28 Related Party Disclosures of the 2022 Audited Consolidated Financial Statements (ACFS) of the Company hereto attached by reference. As disclosed in Note 24 - Related Party Disclosures of the Parent's 2022 Audited Financial Statements, in the normal course of business, the Company has dealings with its related parties (subsidiaries) as follows:

- a. On August 8, 2011, the Company was appointed as the exclusive marketing agent of BRMC for the period 2011 to 2017. Outstanding trade receivable from this transaction amounted to ₱14.2 million, ₱111.8 million, ₱3.9 million and ₱3.9 million in 2022, 2021, 2020 and 2019 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 Transactions 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 2022, 2021, 2020 and 2019 amounted to ₱2.1 million, ₱2.8 million, ₱2.5 million and ₱2.3 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 circumstance 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 2022 and 2021 are ₱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 where 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 circumstance 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 from January 1, 2021 to December 31, 2025
- d. There were no other transactions with parties that fall within the definition "related parties" under SFAS/IAS No. 24 with whom the Company and/or its related parties have a relationship or with any entity established and operated by individuals who were former senior management of or have some other current or former relationship with the Company that will enable the parties to negotiate terms of material transactions that may not be available to independent parties on an arm's length basis.
- e. 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	Movements	Outstanding balance	Terms	Conditions
<i>Trade payables to related parties</i>					
<i>(Note 14)</i>					
BTI	2022	₱-	₱48,564	Payable on demand; noninterest-bearing	Unsecured; no guarantees
	2021	₱-	₱48,564		
AFCC	2022	(657)	2,133	Payable on demand; noninterest-bearing	Unsecured; no guarantees
	2021	230	2,790		
Total	2022	(₱657)	₱50,697		
	2021	₱230	₱51,354		

The parent company statements of financial position include the following amounts resulting from transactions with related parties, aside from those arising from the Company's normal course of business:

Category	Year	Movements	Outstanding balance	Terms	Conditions
<i>Amounts owed by related parties</i>					
BGRC	2022	₱50	₱78,565	Payable on demand; noninterest-bearing	Unsecured no guarantees; impaired
	2021	₱70	₱78,515		
BMC	2022	4,156	100,317	Payable on demand; noninterest-bearing	Unsecured no guarantees; impaired
	2021	26,018	96,161		
BLI	2022	(1,293)	45,851	Payable on demand; noninterest-bearing	Unsecured no guarantees; impaired
	2021	3,266	47,144		
BCPMI	2022	197	30,543	Payable on demand; noninterest-bearing	Unsecured no guarantees; impaired
	2021	(91)	30,346		
IMRC	2022	70	30,102	Payable on demand; noninterest-bearing	Unsecured no guarantees; impaired
	2021	112	30,032		
BPGC	2022	39	29,694	Payable on demand; noninterest-bearing	Unsecured no guarantees; impaired
	2021	15	29,655		
KPLMSC	2022	(2,673)	18,807	Payable on demand; noninterest-bearing	Unsecured no guarantees; no impairment
	2021	2,635	21,480		
Agua De Oro Ventures Corporation (ADOVC)	2022	338	12,697	Payable on demand; noninterest-bearing	Unsecured no guarantees; impaired
	2021	–	12,359		
Media Management Corporation (MMC)	2022	88,000	100,183	Payable on demand; noninterest-bearing	Unsecured no guarantees; impaired
	2021	–	12,183		
BTI	2022	4,654	16,412	Payable on demand; noninterest-bearing	Unsecured no guarantees; impaired
	2021	7,094	11,758		
BIL	2022	3,377	7,842	Payable on demand; noninterest-bearing	Unsecured no guarantees; impaired
	2021	–	4,465		
BBMRC	2022	11,974	14,592	Payable on demand; noninterest-bearing	Unsecured no guarantees; impaired
	2021	126	2,618		
AFCC	2022	(2,699)	-	Payable on demand; noninterest-bearing	Unsecured no guarantees; impaired
	2021	328	2,699		
PECI	2022	33	814	Payable on demand; noninterest-bearing	Unsecured no guarantees; no impairment
	2021	45	781		
	2022	₱106,224	₱486,419		
	2021	39,607	380,195		
Less allowance for impairment losses	2022	–	111,146		
	2021	–	111,146		
Total	2022	₱106,224	₱375,273		
	2021	₱39,607	₱269,049		

In 2022 and 2021, the Company recognized allowance for ECL amounting to ₱111.15 million, covering amounts which the management believes may no longer be recovered (see note 5 of Parent Audited Financial Statements).

Category	Year	Movements	Outstanding balance	Terms	Conditions
<i>Amounts owed to related parties</i>					
BRMC	2022	(P436,424)	P280,355	Payable on demand; noninterest-bearing	Unsecured no guarantees; no impairment
	2021	P101,709	P716,779		
BLRI	2022	(52)	35,164	Payable on demand; noninterest-bearing	Unsecured no guarantees; no impairment
	2021	154,864	35,216		
SARC	2022	55,012	97,870	Payable on demand; noninterest-bearing	Unsecured no guarantees; no impairment
	2021	9,015	42,858		
BMC Forestry Corporation (BFC)	2022	1,457	27,326	Payable on demand; noninterest-bearing	Unsecured no guarantees; no impairment
	2021	467	25,869		
AGMI	2022	(37)	1,936	Payable on demand; noninterest-bearing	Unsecured no guarantees; no impairment
	2021	(90)	1,973		
AFCC	2022	2,646	2,646	Payable on demand; noninterest-bearing	Unsecured no guarantees; no impairment
	2021	--	--		
Total	2022	(P377,398)	P445,297		
	2021	P265,985	P822,695		

The Company'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 Transactions 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.

Item 6. Compensation of Directors and Executive Officer

Summary of Compensation Table

Compensation of the Members of the Board of Directors

The members of the Board of Directors receive P25,000 (gross) per diem for each regular and committee meetings.

In 2022, a total of P 7.09 million was paid to all directors:

Name	Position	Amount (in Million)
Bernardo M. Villegas	Chairman, Independent Director	P 0.77
Maria Remedios R. Pompidou	Director	0.60
Luis Juan L. Virata	Director	0.63
Jose Raulito E. Paras *	Director	0.64
Andrew Patrick R. Casiño	Director	0.64
Anthony M. Te	Director	0.65
Rhodora L. Dapula	Independent Director	0.70
Reginald S. Velasco **	Independent Director	0.64
Elmer B. Serrano ***	Independent Director	0.00
Kwok Yam Ian Chan	Director	0.62
Lina G. Fernandez	Director and President	0.60

Andrew Julian K. Romualdez	Director	0.60
Carlos Alfonso T. Ocampo ****	Director	0.00

*Resigned effective August 30, 2023

**Resigned effective July 7, 2023

***Appointed as Independent Director on August 30, 2023

****Appointed as Director on August 30, 2023

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:

<u>Name</u>	<u>Principal Position</u>
1. Lina G. Fernandez	President
2. Reynaldo P. Mendoza	Executive Vice President & 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, Environment Compliance

	Year	Salary (In-Million)	Bonus (In-Million)	Other Annual Compensation
All above-named officers as a group	2023*	₱20.4	₱1.7	₱1.4
	2022**	14.2	2.4	0.9
	2021**	13.4	2.3	0.8
	2020**	14.6	1.5	0.7
All other directors and officers as a group unnamed	2023*	₱3.8	₱5.8	₱1.7
	2022**	9.9	7.9	2.3
	2021**	5.6	0.9	1.3
	2020**	5.1	0.5	1.7

(* - 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

Directors receive per diems of ₱25,000.00(gross) for attendance in meetings of the board or its committees but do not receive other compensation from the Company for other services rendered except for the President who is an employee. For the year 2022, the directors received Christmas gifts 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.

Incentive Bonus Plan

Since 1980 the Company maintained an Incentive Bonus Plan. 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 2022, there was no amount set aside for payment of bonuses in accordance with the Plan.

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.

Warrants and Options Outstanding

Since 1975, there is an existing Stock Option Plan (the "Plan") for its selected staff employees, directors and consultants of the Company and its subsidiaries. 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, there have been several amendments 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 grant was approved by the Board and 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 shares from ₱3.00 to ₱1.00 per share: (a.) Change in the total number of unexercised shares on 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 exercise price (net 25% discount) is ₱1.69 per share for class "A" and ₱1.91 per share for class "B". (The exercise price is based on closing price of August 18, 2016; Class A --- ₱2.25 and 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 the high exercise price compared to market price.

In the current implementation of the Plan, the Company granted the following stock options:

- a. On September 7, 2012, under the amended Plan, the Company granted stock option to officers, directors/members of the stock option committee and independent directors. The option grants of 624,000 common shares with a par value of ₱3.00 per share consisting of 374,400 class "A" common shares at an exercise price of ₱17.96 per share and 249,600 class "B" common shares at an exercise price of ₱17.63 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 ₱17.96 to ₱1.69 per share for class "A" and ₱17.63 to ₱1.91 per share for class "B", the total number of unexercised shares were adjusted to 1,872,000 common shares consisting of 1,123,200 class "A" shares and 748,800 class "B" shares. The shares are exempted from registration under the SRC Rules, and the listing was approved by the PSE. The options expired on September 7, 2022, pursuant to the provisions of the Plan, that no option is exercisable after ten (10) years from the date of grant. Expired options totaled 510,000 common shares available for future grant.
- b. 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 shares consisting of 360, 000 Class "A" common shares at an exercise price of ₱7.13 per share and 240, 000 class "B" common shares at 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 per 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 August 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.

- c. 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 options grants consisting of 5,048,625 Class “A” shares at exercise price of ₱1.38 per share and 3,365,750 Class “B” shares at exercise price of ₱1.43 per share. The shares are exempted from registration under the SEC’s MSRD Resolution No. 5 Series of 2020 dated February 28, 2020, and the listing was also approved by the PSE in its Notice of Approval dated March 4, 2021. As of August 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	₱1.38	₱1.43	138,600	92,400	-	-	-	-
Four Highest Paid Named Exec. Officers:										
RP Mendoza	138,600	92,400	₱1.38	₱1.43	138,600	92,400	-	-	-	-
MD Arceño	127,050	84,700	₱1.38	₱1.43	127,050	84,700	-	-	-	-
VB Bongalos, Jr.	-	-	-	-	-	-	-	-	-	-
PM Gendrano	66,000	44,000	₱1.38	₱1.43	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	-	-
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Under the amended 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.

- d. 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 mainly 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 August 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	₱2.19	₱2.05	-	-	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	433,125	288,750	₱2.19	₱2.05	-	-	433,125	288,750	-	-

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 7. Independent Public Accountants

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 24, 2022, and November 9, 2022, respectively. Audit services of SGV for the calendar year ended December 31, 2022, 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 compliant 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 2022 is Mr. Peter John R. Ventura-SEC accredited auditing partner of SGV. This is Mr. Ventura's fourth year as engagement partner for the Company. No event has occurred where SGV and the Company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosures, or auditing scope or procedures.

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.

External audit fees

The aggregate audit fees, inclusive of VAT and out-of-pocket expenses billed by SGV & Company are ₱5.7 million for 2022, ₱5.5 million for 2021, ₱5.5 million for 2020 and ₱5.5 million for 2019. There are no other services rendered by the external auditor other than the usual audit services as mentioned above.

Tax fees

The Company paid ₱1.1 million for the year 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.

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

RE-APPOINTMENT OF EXTERNAL AUDITOR

Submitted for approval by the stockholders is the re-appointment of Sycip Gorres Velayo & Company (SGV) to extend its audit services as the independent external auditor of the Company. During the regular meeting of the Company's Board of Directors held on August 30, 2023, the Board approved the re-appointment of SGV as the Company's independent external auditor.

A VOTE OF THE STOCKHOLDERS REPRESENTING MAJORITY OF THE OUTSTANDING CAPITAL STOCK OF THE COMPANY IS REQUIRED FOR THE RE-APPOINTMENT OF SGV AS THE COMPANY'S INDEPENDENT EXTERNAL AUDITOR.

MANAGEMENT RECOMMENDS A VOTE FOR THE RE-APPOINTMENT OF SGV.

Item 8. Compensation Plans

No action is to be taken at the annual meeting with respect to compensation plans.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other Than for Exchange

No action is to be taken at the annual meeting with respect to the authorization or issuance of securities other than for exchange.

Item 10. Modification or Exchange of Securities

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

Item 11. Financial and Other Information

As stated above, no action is to be taken at the annual meeting with respect to the matters under Item 10 (Modification or Exchange of Securities)

The Company's 2022 Audited Consolidated Financial Statements (**Annex "G"**) and Unaudited Interim Consolidated Financial Statements for 2023 Second Quarter Report ended June 30, 2023 (**Annex "B"**) are incorporated in this information statement by reference.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

No action is to be taken at the annual meeting with respect to any transaction involving the following (i) merger or consolidation of the Company into or with any other person or of any other person into or with the Company; (ii) acquisition by the Company or any of its security holders of securities of another person; (iii) acquisition by the Company of any other going business or of the assets thereof; (iv) sale or other transfer of all or any substantial part of the assets of the Company; or (v) liquidation or dissolution of the Company.

Item 13. Acquisition or Disposition of Property

No action is to be taken at the annual meeting with respect to the acquisition or disposition by the Company of any property.

Item 14. Restatement of Accounts

No action is to be taken at the annual meeting with respect to the restatement of the Company's asset, capital or surplus account.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

As a matter of corporate policy, Management seeks the approval/ratification by the stockholders of the following which will be considered and acted upon in the meeting:

1. Minutes of the Annual Stockholders' Meeting held on November 9, 2022, with the following items:
 - a) Approval of minutes of the annual Stockholders' meeting held on November 10, 2021,
 - b) Approval of Management Report and Audited Financial Statements for 2021.
 - c) Approval of the retention of Mr. Bernardo M. Villegas as Independent Director.
 - d) Approval of extension of termination date for granting stock option to eight (8) years or until May 31, 2031, and the corresponding amendment to paragraph 11 of the Amended Stock Option Plan of the Company.
 - e) Approval of the re-appointment of Sycip Gorres Velayo and Company (SGV) as the Company's independent external auditor.
 - f) Approval/Ratification of all acts, contracts, investments and proceedings made and entered into by Management and/or the Board of Directors since November 10, 2021, until November 9, 2022 Annual Stockholders' Meeting.
 - g) Election of Board of Directors (subject to the lifting of the Temporary Restraining Order issued by the Supreme Court)
 - h) Other Matters/Question and Answer

BRIEF SUMMARY OF MINUTES OF NOVEMBER 9, 2022, ANNUAL STOCKHOLDERS' MEETING

1. Quorum Present: The Corporate Secretary certified that there was a quorum for the transaction of any business that may properly be brought before the body, there being present in person or represented by proxy 418,431,472 or 66.95% of the outstanding capital stock of the Company.
2. Management Report: The salient points of the report presented by the President are as follows:
 - We are pleased to report that your Company rendered in 2021 its most remarkable performance in 3 decades. Consolidated revenue posted at ₱1.4 billion, made it the most profitable year of your Company in its recent 30 operating years.
 - A 137% increase in revenue was reported by your Company year-on-year from ₱1.62 billion in 2020 to ₱ 3.84 billion in 2021. After-tax income in 2021 soared to ₱1.42 billion, almost 4 times last year's net income of ₱381.39 million. 2021 also saw profitable performance of all operating units and subsidiaries of your Company, with the mining segment as the main driver of the revenue and income growth.
 - Strong metal prices complemented higher mine output from both the nickel and gold operations. Nickel operations, which provided ₱2.77 billion in export sales, dominated again this year's revenue, followed by the gold operations at ₱945.78 million, up to 238% and 34% respectively over the previous year. Lime operations also posted a healthy 20% increase in revenue.
 - The non-mining business segment, on the other hand, rallied this year with a hefty ₱54.42 million revenue, exceeding by 61% the ₱33.90 million revenue posted in the previous year. As a result, earnings per share climbed 269% to ₱2.29 in 2021, from ₱0.62 a year ago.
 - On the other hand, total assets grew to ₱8.75 billion, up to 19% compared to ₱7.38 billion in 2020.
 - Total liabilities declined 10%, from ₱2.6 billion in 2020 to ₱2.3 billion in 2021. Accordingly, stockholders' equity increased by 34% to ₱6.4 billion from ₱4.8 billion in the previous year.
 - During the year, your Company invested ₱11.7 million in exploration activities and ₱40.9 million in mining and milling equipment for the expansion of its gold project in Benguet province and Sta. Cruz nickel operation in Zambales. In 2020, ₱10.8 million was invested in exploration activities and ₱27.3 million was invested in mining and milling equipment for the expansion of the said projects in 2020.
 - Corporate restructuring was also implemented with the infusion of additional capital in several subsidiaries, amendment of the Articles of incorporation and By-laws of Arrow Freight Corporation and Batong Buhay Mineral Resources Corporation as well as change of corporate name of Benguet Nickel Mines, Inc. to Benguetcorp Resources Management Corporation.
 - The Pantingan property in Bataan remains to be viable prospect of your Company for epithermal gold mineralization and aggregates. The second phase drilling works on the Pantingan Gold Prospect consisting of 7 drill holes have been completed and the recovered core samples are undergoing physical and chemical analysis.
 - On the aggregates prospect, your Company is undertaking topographical and road surveys and is applying for permits including road-right-of-way within the 40-hectares Quarry Permit Application outside the Mineral Production Sharing Agreement area, as well as securing local government unit consent, tree inventory, National Commission on Indigenous Peoples certification and Environmental Compliance Certificate approval.
 - Your Company is currently completing the documentary requirements for conversion of Zamboanga Gold Prospect's Application for Mineral Production Sharing Agreement to Exploration Permit Application, including securing Free, Prior and Informed Consent from the Indigenous People in compliance with the DENR Administrative Order No. 2021-25 necessary in approval of the EPA.
 - On August 18, 2021, registration of the Company's Kelly Ecozone Project in Itogon, Benguet was approved by the Philippine Economic Zone Authority for "Mixed-use Ecozone". Consultation with the Project-Affected-People is ongoing. Coordination with the Baguio City Economic Zone and collaboration with the newly elected Itogon local government officials for the phased development and project social acceptability are likewise being undertaken. A satellite nursery for the propagation of agroforestry species as initial site development activity

- and source of planting materials for the enhancement of the disturbed areas during site development is being established.
- Your Company planned to collaborate with the Entoria Energy Asia Pte. Ltd. Of Singapore to conduct feasibility study on solar project for large scale industrial or local utility power supply.
 - Your Company will sign the renewal of the Memorandum of Agreement or MOA with Manila water Philippines Ventures Inc. on raw water purchase in connection with the bulk water supply proposal in Baguio City. The MOA renewal includes an increase in Raw Water Abstraction Fee from ₱46 million to ₱55.2 million and royalty from 3% to 5%. Upon MOA signing, your Company will stand to gain ₱9.2 million as additional down payment on the Raw Water Abstraction Fee.
 - A total of ₱25.5 million in 2021 was spent by your Company for the continuous protection and enhancement of the environment. Majority of the programs implemented deal with the enhancement of land resources which includes the progressive rehabilitation and maintenance of various environmental structures such as the Tailings Storage Facility and its appurtenances, drainage tunnels and the strict implementation of hazardous and solid waste management. The components of Annual Environmental Protection and Enhancement Program and Care and Maintenance activities which are continuously carried out consist of Nursery Development and Seeding Production, Mining Forest Program and Progressive Rehabilitation within Tenement, National Green Program Outside Tenement, Establishment of Bamboo Plantation Areas, Implementation of the Sustainable Agroforestry Program – “Gulayan sa Minahan”, Coastal Area Protection and Management, River Protection and Air Water and Noise Quality Monitoring, Solid Hazardous Waste Management.
 - Your Company implemented in 2021, the total amount of ₱6.98 million in social development which supplements the general welfare programs provided by the national and local government. Your Company provided its host communities in the province of Zambales and Benguet, education support to its 388 scholars, education equipment and supplies to schools, assistance to Child Development Programs, provisions of medicines, vaccines and medical equipment, provision of farming equipment and fertilizer to farmers, assistance to infrastructure development and continuing support for various activities concerning Information education Communication Programs and Development of Mining Technology and Geosciences.
 - Your Company’s continuing quest for excellence has been recognized with awards and nominations received in the year in review. Acupan Gold Project have been awarded by the Department of Environmental and Natural Resources – Mines and Geosciences Bureau or DENR-MGB and the Philippine Mine Safety and Environment Association or PMSEA with the Safest Underground Mining Operation Award Runner-Up on November 26, 2021, during the 67th Annual National Mine Safety and Environment Conference. The nickel operations under BMRC, received the following Awards and Recognitions during the MGB-Region III Mining Summit in April 2022; (1) attaining the Highest average Tenement, Safety and Health, Environment and Social Development Score for the Metallic Category in Region 3; (b) Best Recorded Improvement on its Mine Operations and Rehabilitation; and (c) Safety Award for Attaining 2 million Man Hours Worked Without Any Lost time Accident Up until the end of CY 2021. BRMC will also be a recipient of the Presidential Minerals Industry Environment Award-Runner up in the Mineral Processing Calcining category. Last year’s award was conferred on February 3, 2021, while the Irisan’s award this year will be given during the PMSEA awards night in Baguio City on November 18, 2022. On the other hand, nickel, gold and healthcare business operations continue to be ISO Certified.
 - The Company will continue to develop its non-mining portfolio and pursue profitable business in real state, renewable energy, agro-industry and water projects. The Company is looking forward to maximizing opportunities from its non-mining assets. It will continue to strive to contribute to the development of the mining industry and uplift the lives of its hist communities.
3. The stockholders approved the minutes of the Annual Meeting of Stockholders held on November 10, 2021. The Company received in person and by proxy a total of 418,431,472 affirmative votes or 66.95% of the outstanding capital stock of the Company in favor of the approval of the Minutes of the Annual Meeting of Stockholders held on November 10, 2021.
 4. The stockholders approved the Management Report and Audited Financial Statements for 2021. The Company received a total of 418,431,472 affirmative votes or 66.95% of the outstanding capital

stock of the Company in favor of the approval of the Management Report and Audited Financial Statements for 2021. There was nil AGAINST vote and nil ABSTAIN vote.

5. The stockholders approved the extension and retention of Mr. Bernardo M. Villegas as Independent Director. The Company received votes in person and by proxy a total of 418,431,472 affirmative votes or 66.95% of the outstanding capital stock of the Company in favor of the approval of the extension and retention of Mr. Bernardo M. Villegas as Independent Director.
 6. The stockholders approved the extension of termination date for granting stock option to eight (8) years or until May 31, 2031, and the corresponding amendment to paragraph 11 of the Amended Stock Option Plan of the Company. There was nil AGAINST vote and nil ABSTAIN vote.
 7. The stockholders approved the re-appointment of Sycip Gorres Velayo and Company (SGV) as the Company's independent external auditor. The Company received a total of 418,431,472 affirmative votes or 69.95% of the outstanding capital stock of the Company in favor of the approval of the re-appointment of SGV and Company as the Company's independent external auditor.
 8. The stockholders confirmed and ratified all acts, contracts, investments and proceedings made and entered into by Management and/or the Board of Directors from November 10, 2021, until November 9, 2022, annual stockholders' meeting. There was nil AGAINST vote and nil ABSTAIN vote.
 9. The stockholders approved the granting of stock option awards to directors, officers, employees and consultants of the Company and its subsidiaries. The Company received in person and by proxy a total of 418,431,472 affirmative votes or 66.95% of the total outstanding capital stock of the Company in favor of the approval of the granting of stock option awards to directors, officers, employees and consultants of the Company and its subsidiaries. The Company received votes in person and by proxy a total of 418,431,472 shares or 66.95% of the outstanding capital stock of the Company in favor of the confirmation and ratification of all acts, contracts, resolutions, investments and proceedings made and entered into by Management and/or Board of Directors since the November 10, 2021, until November 9, 2022 Annual Stockholders' Meeting.
 10. The Corporate Secretary stated that as disclosed in the Company's Definitive Information Statement, the election of directors is still enjoined under Temporary Restraining Order (TRO) issued by the Philippine Supreme Court as of October 7, 2022, the date of statement. She informed the stockholders that as of the date and time of the meeting, no order lifting the TRO has been received by the Company, hence, no election of directors could be held.
Thus, the present set of incumbent directors and independent directors of the Company shall continue to remain in office on holdover capacity until their successors are elected and qualified, namely:
 - A. Representing the Common Class "A" and Convertible Preferred Class "A" Stocks:
 1. Maria Remedios R. Pompidou
 2. Luis Juan L. Virata
 3. Jose Raulito E. Paras
 4. Andrew Patrick R. Casiño
 5. Anthony M. Te
 6. Rhodora L. Dapula (Independent Director)
 7. Reginald S. Velasco (Independent Director)
 - B. Representing the Common Class "B" Shares of Stock:
 1. Jesse Hermogenes T. Andres
 2. Kwok Yam Ian Chan
 3. Bernardo M. Villegas (Independent Director)
 4. Lina G. Fernandez
2. The Management Report (Annex "A") and the Audited Financial Statement for the year ended 31 December 2022 audited by the Company's independent external auditors, Sycip Gorres Velayo and Company (SGV) are contained in this Information Statement. The 2022 audited financial statements is also an attachment of the Company's 2022 Annual Report (Sec Form 17-A) as filed to the SEC and PSE. These are posted and accessible through the Company website www.benguetcorp.com and may also be accessed in the online system of PSE Edge Portal <https://edge.pse.com.ph>.

3. The following are acts, contracts, resolutions, and proceedings made, passed and entered into by Management and/or Board of Directors since 2022 Annual Stockholders' Meeting:

1) Appointed/re-elected/re-appointed as the Chairman and Vice Chairman of the Board, and Officers of the Company to the following positions:

Chairman of the Board	-	Dr. Bernardo M. Villegas
President	-	Atty. Lina G. Fernandez
Executive Vice President and Asst. Corporate Secretary	-	Atty. Reynaldo P. Mendoza
Senior Vice President-Finance & Treasurer	-	Mr. Max D. Arceño
Vice President/Resident Manager, Benguet District Operations	-	Engr. Valeriano B. Bongalos, Jr.
Asst. Vice President-Environmental Compliance	-	Ms. Pamela M. Gendrano
Corporate Secretary	-	Atty. Hermogene H. Real

2) Approved the re-appointment of principal legal counsel: Sycip Salazar Hernandez & Gatmaitan Law Office;

3) Approved the re-appointment of Stock Transfer Agent and Registrar – Stock Transfer Service, Inc. (STSI) for local and U.S. stockholders;

4) Approved the reconstitution of the following Board Committees:

(1) EXECUTIVE COMMITTEE

Chairman: Anthony M. Te

Members:

Andrew Julian K. Romualdez
Bernardo M. Villegas (Villegas (Independent Director)
Kwok Yam Ian Chan
Lina G. Fernandez

(2) SALARY AND STOCK OPTION COMMITTEE

Chairman: Anthony M. Te

Members:

Bernardo M. Villegas (Independent Director)
Andrew Julian K. Romualdez
Reginald S. Velasco (Independent Director)

(3) AUDIT COMMITTEE

Chairman: Rhodora L. Dapula (Independent Director)

Members:

Bernardo M. Villegas (Independent Director)
Andrew Patrick R. Casiño

(4) NOMINATIONS and ELECTION COMMITTEE

Chairman: Bernardo M. Villegas (Independent Director)

Members:

Anthony M. Te
Andrew Julian K. Romualdez

(5) CORPORATE GOVERNANCE COMMITTEE

Chairman: Bernardo M. Villegas (Independent Director)

Members:

Reginald S. Velasco (Independent Director)
Rhodora L. Dapula (Independent Director)
Max D. Arceño – Compliance Officer

(6) BOARD RISK OVERSIGHT COMMITTEE (BROC)

Chairman: Reginald S. Velasco (Independent Director)

Members :

Jose Raulito E. Paras
Bernardo M. Villegas (Independent Director)
Pamela M. Gendrano – Chief Risk Officer

- (7) RELATED PARTY TRANSACTIONS (RPT) COMMITTEE
Chairman : Bernardo M. Villegas (Independent Director)
Members :
Reginald S. Velasco (Independent Director)
Jose Raulito E. Paras
Luis Juan L. Virata
Lina G. Fernandez

- 5) Reconfirmed CHQ bank signatories as follows :

Any two (2) of the following officers :

Class A:

Reynaldo P. Mendoza
Lina G. Fernandez

or any of them jointly with any one of:

Class B:

Max D. Arceño
Valeriano B. Bongalos, Jr.

- 6) Noted and approved the 2023 budgets as presented.
- 7) Approved the Christmas gift to officers, managers, consultants and retainers equivalent to one-month basic salary.
- 8) Approved the Deed of Conditional Sale of Super King Air 360 model B300 for a total consideration of ₱450M net of tax.
- 9) Approved the Stock Subscription Contract between Benguet Corporation (BC) and Batong Buhay Mineral Resources Corporation (BBMRC) on 25% of the capital increase of BBMRC equivalent to 47.5 million shares with paid up capital in cash of 25% of said shares amounting to ₱11.875M, and authorized the designation of Ms. Lina G. Fernandez, BC President, to sign the Stock Subscription Contract.
- 10) Approved and authorized to sign the Framework Agreement with Entoria Energy Asia Pte. Ltd. Covering the Feasibility Study of the solar power project which BC intends to develop using a 388-hectare property affected by lahar in Zambales.
- 11) Approved and ratified ACMP Contract of Work between BC and Pecdasen Builders executed on Oct. 18, 2022 for the repair of TSF Liang Emergency Spillway as part of Care and Maintenance Program (CMP) and Final Mine Rehabilitation Plan (FMRDP) with contract price amounting to ₱6.2M.
- 12) Approved and ratified ACMP Contract of Work between BC and Laliwet-W Builders executed on Oct. 20, 2022 for the excavation and rock armouring of River Diversion Channel with contract price amounting to ₱3.08M.
- 13) Approved and authorized RDM Printing Services with office address at no. 80 San Miguel Phase IV Parang, Marikina City as BC authorized representative to print the Company's O.R.s, principal and secondary receipts and invoices.
- 14) Approved and authorized the designation of Mr. Max Arceño to sign the Deed of Sale documents on insurance claim proceeds relating to the accident and damage to BC vehicle Mitsubishi Strada with Plate No. UKQ-102 where an insurance claim for total loss was instituted in the amount of ₱527,000.00 against its insurer, Standard Insurance Co.
- 15) Approved the designation of any one of BC officers, namely: Lina G. Fernandez, President, Reynaldo P. Mendoza, EVP or Max D. Arceño, SVP-Finance to register SIM card used in Company's transactions with PSE/SEC in compliance with government's mandate to register Subscriber Identity Module (SIM) card mobile under R.A. No. 11934.
- 16) Approved the migration of BC-Irisan Lime UCPB bank account to Land Bank Baguio Calderon Branch by way of merger and the designation of authorized signatories.

- 17) Approved the designation of authorized representatives to transact with Bangko Sentral ng Pilipinas (BSP Gold Buying Section) on registration of BC with BSP to sign Customer Info Packet and Authority to Release Information relative to the sale of gold of the corporation to BSP.
- 18) Authorized the participation of BC in the public bidding to be conducted by the Social Security System (SSS) relative to the BC debt under the Promissory Note dated Dec. 22, 1993 with pre-bid conference set on Feb 13, 2023 and opening of bid proposal on Feb. 27, 2023.
- 19) Approved the 2022 Audited Financial Statements [Audited Consolidated Financial Statements (ACFS) and Audited Parent Financial Statements (APFS)] of the Company for the year ended December 31, 2022. The Board also approved and authorized the issuance of the Company's 2022 ACFS and APFS as audited by Sycip Gorres Velayo and Company.
- 20) Approved and authorized to activate BC Time Deposit Account no. 003997-0312-36 with BPI which has become dormant and the adoption of BPI pro-forma resolution and designation of authorized signatories.
- 21) Approved and authorized to activate BC Dividend Account 135 with BPI Ayala Paseo (Philamlife Tower) under account name "BENGUET CORPORATION DIVIDEND ACCOUNT NO. 135" and designation of authorized signatories
- 22) Approved and ratified Consultancy Agreement between BUSA and BURGEX with consultancy fee of \$7,500 for each technical due diligence report and market valuation report they will be submitting to BC and the designation of Atty. Reynaldo Mendoza, BUSA President, as authorized signatory.
- 23) Approved and ratified the following contracts concerning the mineral property in Pantingan, Bataan and the designation of authorized signatories:
 - (a) MOA with Geographic Innovations for Development solutions, Inc. for ₱1.799M for the Pantingan Gold Project to do baseline environmental study in connection with the requirement for BC's application for renewal of MPSA.
 - (b) Contract for the services of T21 Environmental Engineering Services to do the Environmental Compliance Certificates (ECC) or EIS preparations for the Pantingan Aggregates Project and approval of Quarry Permit Applications (QPA). Contract is for P1.5M and it will cover 6 QPA for commercial mountain aggregates in Bagac, Bataan.
 - (c) Operating Contracts between BC and the Quarry Permit holders.
- 24) Approved and ratified the purchase of a second hand vehicle Mitsubishi Pick-Up 2013 from Ms. Maria Carmen Dolotina to be assigned to Irisan Lime Project Resident Manager, Mr. Francis O. Flavier for ₱650,000.00 and designation of authorized signatory.
- 25) Approved and ratified the following contracts, to wit:
 - 1) Contract of Work between BC and Acay clan;
 - 2) Provisional ACMP Contract between BC and Mine Site Livelihood Asso., Inc.;
 - 3) ACMP Contract between BC and RCA Mining Organization Inc. (RCAMOI);
 - 4) Provisional ACMP Contract between Benguet Corporation (BC) and Gayados Gold Ore Mining (GGOM);
 - 5) Provisional ACMP Contract between Benguet Corporation (BC) and RBSS Gold Ore Mining;
 - 6) Provisional ACMP Contract between Benguet Corporation (BC) and Red Miners Small Scale Mining Inc.;
 - 7) Provisional ACMP Contract between Benguet Corporation (BC) and Sibayan Small Scale Mining Livelihood Organization Inc.;
 - 8) ACMP Contract between Benguet Corporation (BC) and KIDKID SIMONGO MINING LIVELIHOOD ASSOCIATION, INC.;
 - 9) ACMP Contract between Benguet Corporation (BC) and Acupan United Community Mining Association;
 - 10) ACMP Contract between Benguet Corporation (BC) and Itogon Unified Small Scale Miners Livelihood Association, Inc. (IUSSMLAI);
 - 11) ACMP Contract between Benguet Corporation (BC) and Sapu Mining and Organization (SAPO) Inc. (SAPOMOI);
 - 12) Provisional ACMP Contract between Benguet Corporation (BC) and Oficial Small Scale Miners Association Inc. (OSSMAI);
 - 13) Contract of Work between Irisan Lime Project and Crimson Bay Construction and Aggregates.

- 26) Approved and ratified the authority of management to request MGB-CAR to convert certain mineral agreement applications (APSA) into EXPA and the designation of authorized officers to execute the aforesaid EXPAs.
- 27) Accepted the resignations of Mr. Reginald S. Velasco as Independent Director/Class A Director and Atty. Jose Raulito E. Paras as Class A Director.
- 28) Approved the appointment of the following members of the Board of Directors of the Company: (a) Atty. Elmer B. Serrano as Independent Director representing Common Class "A" and Convertible Class "A" shares of the Company and (b) Atty. Carlos Alfonso T. Ocampo as Director representing Common Class "A" and Convertible Class "A" shares of the Company.
- 29) Approved the retention of Chairman Bernardo M. Villegas as Independent Director (ID) despite having served beyond the maximum term limit of 9 nine years (from 2012 to present) pursuant to SEC Memorandum Circular No. 4 Series 2017.
- 30) Approved the holding of the virtual Annual Stockholder's Meeting (ASM) on November 8, 2023, Wednesday at 3:00 pm at the Company's Board Room, 7th Floor, Universal Re Building, 106 Paseo de Roxas, Makati City, and fixed September 19, 2023 as a record date for stockholders entitled to notice of and to vote for this meeting.
- 31) Approved the re-appointment of SGV & Co. and the Company's independent external auditor subject to ratification by the stockholders.
- 32) Approved the amendments to update and reactivate BGO bank accounts and closure of bank accounts, to wit:
 - (a) Approved and authorized to reactivate its bank account with UCPB-102170007609 converted to Landbank-5701016140 Baguio Calderon Branch (LBP Baguio-Calderon formerly UCPB) under the account name "Benguet Corporation-Benguet Antamok Gold Operation – Monitoring Trust Fund (BC-BAGO-MTF);
 - (b) Approved and authorized to reactivate bank accounts with United Coconut Planters Bank (UCPB)-102170007592 - Baguio Branch converted to Landbank 5701016132 Baguio Calderon Branch (LBP Baguio-Calderon formerly UCPB) under the account name "Benguet Corporation-Benguet Antamok Gold Operation – Rehabilitation Cash Fund (BC-BAGO-RCF);
 - (c) Approved and authorized to reactivate bank account/s with UCPB-102170094531 converted to Landbank 5701016167 Baguio Calderon Branch (LBP Baguio-Calderon formerly UCPB) in the name of BENGUET CORPORATION – Benguet Antamok Gold Operation – Final Mine Rehabilitation and Decommissioning Plan (BC-BAGO-FMRDP);
 - (d) Approved and authorized to close bank accounts with United Coconut Planters Bank (UCPB)-102171080018 converted to Landbank-5701016116 Baguio Calderon Branch (LBP Baguio-Calderon formerly UCPB) under the account name "Benguet Corporation-Benguet Gold Operation (BC-BGO);
 - (e) Approved and authorized to close Current bank accounts with United Coconut Planters Bank (UCPB)-20217000283-5 converted to Landbank-5702110744 Baguio Calderon Branch (LBP Baguio-Calderon formerly UCPB) under the account name "Benguet Corporation-Benguet Gold Operation (BC-BGO);
 - (f) Approved and authorized to close Current bank accounts with United Coconut Planters Bank (UCPB)-102170007567 converted to Landbank-5701016124 Baguio Calderon Branch (LBP Baguio-Calderon formerly UCPB) under the account name "Benguet Corporation-ACMP-MTF.
- 33) Approved and designated METROPOLITAN BANK & TRUST COMPANY as depository of the funds/monies of BENGUET CORPORATION in the name of BENGUET CORPORATION EMPLOYEES SPECIAL FUND and adopted resolution in accordance with MBTC pro-format.
- 34) Approved and authorized BANGKO SENTRAL NG PILIPINAS (BSP) to credit all payments due to the Corporation on its current/savings account with the following details:

Bank	:	BANCO DE ORO
Branch	:	Perea-Paseo Branch
Account No.	:	005398013301
Account Name	:	BENGUET CORPORATION

- and approved designation of authorized officers/managers to sign and/or execute instruments and/or instructions as may be required by BSP in relation with the availment by the Corporation of the Checkless Payment System of BSP.
- 35) Approved designation of authorized signatories with (a) PLDT for internet connection upgrade; (b) application of BC-BGO Internet Service Connection with AirLive Communications, Inc. (STARLINK), and Converge ICT Solutions, Inc.;
 - 36) Approved and authorized the publication of BC history book entitled “Over a Century: The BenguetCorp Story” to be released on December 12, 2023 with the unveiling of commemorative stamp for BC’s 120th milestone anniversary. Also approved contracts with author Ms. Edda Villaluna Henson and editors Jenny Ortuoste and Angelo Lacuesta
 - 37) Approved resolution authorizing Atty. Reynaldo P. Mendoza as signatory to SEC Form 10.2 on BC Stock Option application for exemption from registration of BC shares under the Stock Option Plan to be subscribed by the optionees, and remaining unissued, cancelled, expired and forfeited options/shares and to sign Undertaking to comply with SEC relative to issuance of shares.
 - 38) Approved and ratified BC Undertaking to (1) undergo a new and separate FPIC process with the ICCs/lps to be facilitated by the NCIP after the exploration phase is completed; (2) to provide assistance for livelihood and development and with no condition on the release of the P750K financial assistance one year after the issuance of CP; and (3) coordinate closely with IP Community *PIGBOGOLALAN SOG G’LUPA PUSAKA NOG MOKOGULANG*, through Timuoy Fernando D. Mudai and the MGB Region IX to ensure that significant portion of the budget intended for Community Development Program (CDP) projects will benefit the IP community members as required for the issuance by NCIP of Certificate on Precondition (CP) to BOLCO Project.
 - 39) Approved and ratified MOA executed between BC and Cannapacific Solutions, Inc. (CPS) for the purpose of constructing a Research and Development (R&D) facility at the Kelly Special Economic Zone to conduct clinical research on medical cannabis or marijuana, cannabinoids, industrial hemp and related products and substances pursuant to the exemptions as provided in Section 16 of Republic Act 9165, also known as the Comprehensive Dangerous Drugs Act of 2002. The purpose is to support the on-going legislation pending in Congress for legalization of medical cannabis as well as for other emerging business opportunities.
 - 40) Approved and grant of authority for management to negotiate the sale of portions of Aglao property consisting of 189.3 and 71.1 Hectares after CARP Exemption and Land Conversion.
 - 41) Approved the execution of MOA with Communication Renewal Energy Infrastructure CREI Phils. Inc. for the installation of Globe telecommunication facility in a 200sqm area within BC’s patented claims in Itogon, Benguet with lease term period of 8 years at ₱25,000 monthly rent net of taxes.
 - 42) Approved and ratified the following contracts:
 1. Provisional ACMP Contract between Benguet Corporation (BC) and OSSMAI;
 2. Provisional ACMP Contract between Benguet Corporation (BC) and GGOM;
 3. Provisional ACMP Contract between Benguet Corporation (BC) and RMSSMAI;
 4. ACMP Contract between Benguet Corporation (BC) and RBGOM;
 5. ACMP Contract between Benguet Corporation (BC) and RBSS;
 6. Contract of Work between Benguet Corporation (BC) and Acay clan;
 7. Contract of Work between Benguet Corporation (BC) and Graceron Construction;
 8. Contract of Work between Benguet Corporation (BC) and Acay clan
 - 43) Approved and ratified Contract of Work between Irtisan Lime Project and Crimson Bay Construction and Aggregates
 - 44) Approved and ratified Survey Contract with J.R. Fernandez Surveying and Engineering Services for purposes of mapping out the boundaries of Pantingan MPSA tenement and mark the said boundaries with monuments as required by MGB for Pantingan Gold Project.
 - 45) Approved the promotion of Engr. Emmanuel M. Puspos as Assistant Vice President for Mining and Business Development effective August 30, 2023.
 - 46) Approved and authorized the cancellation of the annotation of Contract of Lease under Entry No. 2064 in OCT No. G-506 of the Registry of Deeds of Balabac, Palawan over the property of Filomina Agustin Nicolas.

A VOTE OF THE STOCKHOLDERS REPRESENTING MAJORITY OF THE OUTSTANDING VOTING CAPITAL STOCK OF THE COMPANY IS REQUIRED FOR THE APPROVAL/RATIFICATION OF MINUTES OF THE NOVEMBER 9, 2022 ANNUAL STOCKHOLDERS' MEETING, MANAGEMENT REPORT AND AUDITED FINANCIAL STATEMENTS FOR 2022 AND ALL ACTS, CONTRACTS, INVESTMENTS, RESOLUTIONS, AND PROCEEDINGS MADE AND ENTERED INTO BY MANAGEMENT AND/OR BOARD OF DIRECTORS DURING THE PERIOD FROM DATE OF 2022 ANNUAL STOCKHOLDERS' MEETING UNTIL THE DATE OF 2023 ANNUAL STOCKHOLDERS' MEETING.

MANAGEMENT RECOMMENDS A VOTE FOR THESE ABOVE-STATED MATTERS.

Item 16. Matter Not Required To Be Submitted

No action is to be taken at the annual meeting with respect to any matter which is not required to be submitted to a vote of the stockholders.

Disclosure Requirements Pursuant to Section 49 of the Revised Corporation Code of the Philippines:

1. Description of the voting and voting tabulation procedures used in the previous Annual Stockholders' Meeting held on November 9, 2022.
In the 2022 Annual Stockholders' Meeting, votes were cast through ballots and proxies. Stockholders were given on or before November 8, 2022, to submit scanned copy of the ballot/proxy via email to bccorpsec@benguetcorp.com as provided in the Information Statement. The physical copies of the ballot/proxy were sent to the Office of the Corporate Secretary/Stockholders Relations Office at the Company's principal address. Proxies were validated and tabulated by special committee composed of the Corporate Secretary, the Stockholders Relations Office of the Company, and the Company's stock transfer agent, Stock Transfer Service, Inc. (STSI). The tabulation as well as copies of proxies were further reviewed by the Company's independent external auditor, Sycip Gorres Velayo & Co. (SGV).
2. Description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given.
The stockholders were given the opportunity to ask questions and/or give comments through an email address designated by the Company. This instruction was incorporated in 2022 Definitive Information Statement's Annex "C". Such questions/comments will be raised during the Open Forum of the virtual meeting. For the last year's Annual Stockholders' Meeting, the Company did not receive any question and/or clarification through email or during the open forum.
3. The matters discussed and resolutions reached in the 2022 Annual Stockholders' Meeting:
The matters discussed and resolutions reached in the 2022 Annual Stockholders' Meeting are discussed in Item 15 of this Information Statement.
4. A record of the voting results for each agenda item:
Voting results for each agenda item was disclosed in Item 15 of this Information Statement.
5. List of directors, officers and stockholders who attended the 2022 Annual Stockholders' Meeting:
The directors and officers who attended the meeting are as follows:
Directors:
Bernardo M. Villegas
Reginald S. Velasco
Kwok Yam Ian Chan
Lina G. Fernandez
Anthony M. Te
Andrew Patrick R. Casiño
Rhodora L. Dapula
Jose Raulito E. Paras
Maria Remedios R. Pompidou

Luis Juan L. Virata
Andrew Julian K. Romualdez

Officers:

Reynaldo P. Mendoza	-	Executive Vice President and Asst. Corporate Secretary
Max D. Arceño	-	Senior Vice President – Finance and Treasurer and Compliance Officer for Corporate Governance
Valeriano B. Bongalos, Jr.	-	Vice President/Resident Manager – Benguet District Operations
Pamela M. Gendrano	-	Asst. Vice President – Environmental Compliance and Chief Risk Officer
Hermogene H. Real	-	Corporate Secretary

Stockholders and PCD Beneficial Owners who were present in person (via livestreaming) or by proxy during the Annual Stockholders' Meeting held on November 9, 2022 were as follows:

1. E. Chua Chiacio Securities, Inc.	27. RCBC Trust and Investment Division	53. Joscelyn C. Mendoza
2. Rebecca R. Rapisura	28. Lina G. Fernandez	54. Alfonso T. Yuchengco
3. Max D. Arceño	29. Palm Avenue Realty and Development Corporation	55. Enrique T. Yuchengco
4. Shirley S. Cueva	30. Lucky Securities, Inc.	56. RP Land Development Corp.
5. Anthony M. Te	31. Robert W. Baird & Co.	57. Jose Raulito E. Paras
6. Hermogene H. Real	32. RCBC T/A# 74-034-9	58. Emmanuel E. Puspos
7. The Pacific Fund, Inc.	33. RCBC Trust Account #76-001-3	59. Rhodora L. Dapula
8. Equitiworld Securities, Inc.	34. RCBC Trust Account #76-216-4	60. Valeriano A. Songayab
9. Pan Malayan Management and Investment Corp.	35. Tomas D. Malihan	61. RCBC Securities, Inc.
10. Luys Securities company, Inc.	36. Petroenergy Resources Corporation	62. House of Investments, Inc.
11. Mandarin Securities Corporation	37. Miriam Nacario-San Pedro	63. Palm Avenue Holdings and/or Palm Avenue Realty Corporation
12. Yao and Zialcita, Inc.	38. Abner Franco	64. Palm Avenue Holding Company, Inc.
13. Kwok Yam Ian Chan	39. Virginia M. Rudio	65. Yolando A. Cruz
14. Jose Carlos Fernandez	40. Mercedita M. Lozano	66. Zaldy T. Retig
15. Strategies Equities Corporation	41. Francisco Flavier	67. Mariano M. Guieb, Jr.
16. Maybank Securities, Inc.	42. Rhodora S. Songayab	68. Jaime B. Gargabite
17. Donald L. Dawson	43. Daisy A. Mejia	69. Benedicto Tumapang
18. Georgia Nolan	44. Lorenzo T. Festiken	70. Normita A. Panganiban
19. Bernardo M. Villegas	45. BMC Marine, Inc.	71. Roland P. De Jesus
20. Marilex Realty Development Corp.	46. BMC Marine, Inc. A/C# Mar3	72. Luis Juan L. Virata
21. Triton Securities Corporation	47. Reynaldo P. Mendoza	73. FEBTC T/A#4113-00204-5 (ESPP)
22. Luis Juan L. Virata	48. Lina L. Galing	74. Reginald S. Velasco
23. Tower Securities, Inc.	49. Sheila Cenit-Belgica	75. RCBC Trust Department
24. RCBC Securities, Inc.	50. Herminia G. Albar	76. Otilio D. Molo
25. Andrew Patrick R. Casiño	51. Benjamin L. Sucgang	77. Estate of Alfonso T. Yuchengco
26. Larrgo Securities Co. Inc.	52. Mico Equities, Inc.	

6. Such other items that the Commission may require in the interest of good corporate governance and the protection of minority stockholders.

The Company continues to further improve its current code of corporation governance practices and develop 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 Company submitted its 2021 Integrated Annual Corporate Governance Report (2021 I-ACGR) to the Commission and the Exchange on May 30, 2022. The 2022 Integrated Annual Corporate Governance Report (2022 I-ACGR) was submitted to the Commission and the Exchange on May 30, 2023.

7. List of material information on the current stockholders and their voting rights.
Material information on the current stockholders and their voting rights were provided during the 2022 Annual Stockholders' Meeting on November 9, 2022, and in Items 4 and 19 of this Information Statement. The Corporate Secretary also informed the stockholders during the meeting that the stockholders as of record date September 19, 2022 were entitled to vote in the 2022 Annual Stockholders' Meeting.

8. Detailed, descriptive, balanced and comprehensive assessment of the corporation's performance, which shall include information on any material change in the corporation's business, strategy, and other affairs.

The Company's performance is being regularly assessed by the Board of Directors and such results of these assessments are being reported in the Company's Annual Reports under SEC Form 17-A and Quarterly Reports under SEC Form 17-Q. These reports contained the management's discussion and analysis of financial position and results of operation.

9. Financial report for the preceding year, which shall include financial statements duly signed and certified in accordance with this Code and the rules the Commission may prescribe, a statement on the adequacy of the corporation's internal controls or risk management systems, and a statement of all external audit and non-audit fees.

Please refer to Annex G – Audited Consolidated Financial Statements for the period ended December 31, 2022, with Statement of Management's Responsibility for Consolidated Financial Statements and Independent Auditor's Report on Supplementary Schedules.

10. An explanation of the dividend policy and the fact of payment of dividends or the reasons for non-payment thereof.

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.”

The Company has not declared any dividends in the four (4) most recent fiscal years 2022, 2021, 2020 and 2019 due to restrictions provided for in the Company’s loan agreements with creditor banks. The 1993 Restructuring Agreement with the Creditors provided in Section 13 (d) that the Company will not declare or pay dividends or purchase, redeem, or otherwise acquire for value any shares of any class of its capital stock or make any capital or asset distribution to its stockholders.

11. Directors’ qualifications and relevant experience, length of service in the corporation, trainings and continuing education attended, and their board representation in other corporations.
Please refer to Item 5 of this report.
12. A director attendance report, indicating the attendance of each director at each of the meetings of the board and its committees and in regular or special stockholder meeting.
Please refer to Item 5 of this report.
13. Appraisal and performance reports for the board and the criteria and procedure for assessment
The Company developed an effective evaluation system and process to measure the effectiveness of the members of the Board of Directors as well as determine the compliance of the Board with the Company’s Manual of Corporate Governance (the “Manual”). The Manual can be accessed through the Company’s website: <http://benguetcorp.com/wp-content/uploads/2014/07/2017-MANUAL-ON-CORPORATE-GOVERNANCE.pdf>. The Board conducts self-assessment of its performance including the performance of the Chairman, individual members and committees. Copy of self-assessment report is an integral part of Annual Corporate Governance Report which can be accessed through the Company’s website: <http://benguetcorp.com/corporate-governance/acgr/>.
14. A director compensation report prepared in accordance with this Code and the rules the Commission may prescribed.
Please refer to Item 6 of this report.
15. Director disclosures on self-dealings and related party transactions.
On the directors’ self-dealings, the Company adopts the SEC and PSE rule requiring directors and officers to report their dealings in Company shares within five (5) trading days from the date of Company share-related transactions. The Company discloses to the SEC and PSE the ownership, acquisition or disposal of the Company’s shares of stock by directors and officers. The Company also requires the directors and officers to refrain from buying and selling the Company’s shares of stock for two (2) full trading days from disclosure of material non-public information.
Further, the Company has not been a party in any transaction or proposed transactions in which a director or executive officer of the Company, any nominee for election as director had a material interest adverse to the Company or any of its subsidiaries.
For other Related Party disclosures, please refer to Note 28 of the 2022 Audited Consolidated Financial Statement of the Company hereto attached by reference.
16. The profiles of directors nominated or seeking election or re-election.
Please see Item 5 of this Information Statement.

Item 17. Amendment of Charter, By-Laws or Other Documents

No action to be taken at the annual meeting with respect to amendment of charter, by-laws or other documents.

Item 18. Other Proposed Action

Except those referred to in the notice of the annual meeting of stockholders, no other proposed action shall be taken up in the annual meeting with respect to any matter.

Item 19. Voting Procedures

All matters requiring approval of stockholders as set forth in the Agenda of the Notice of Meeting will require only the affirmative vote of the stockholders owning at least a majority of the outstanding voting capital stock of the Company. The representation of the stockholders during the meeting shall either be in person (via livestreaming), through proxy or voting in absentia.

In the election of directors, stockholders may vote only for those directors nominated for the class of shares owned by them, either in person or by proxy. Any stockholder may cumulate his shares since cumulative voting is authorized under the Revised Corporation Code of the Philippines and will be used in the election of directors at the meeting. On this basis, each holder of Convertible Preferred Class A and Common Class A stocks may vote the number of shares registered in his name for each of the seven (7) directors to be elected by said classes of stock, or he may multiply the number of shares registered in his name by seven (7) and cast the total of such votes for one (1) director or he may distribute his votes calculated as above described among some or all of the seven (7) directors to be elected by the said classes of stockholders, as he elects. Each holder of Common Class B may do the same thing in respect of the four (4) directors to be elected by Common Class B shareholders (but multiplying by four (4) rather than by seven (7)). The proxies propose to use their discretion in cumulating votes.

The method of counting votes is as follows: If the number of nominees does not exceed the number of directors to be elected, the Secretary of the meeting, upon motion made and seconded, is instructed to cast all votes represented at the meeting in favor of the nominees. However, if the number of nominees exceeds the number of directors to be elected, voting is done by ballots. Counting of votes shall be done by the Corporate Secretary (or by his authorized representatives) or by independent auditors or by a Committee designated by the Board of Directors. The first seven (7) nominees for Class A (Convertible Preferred and Common) and first four (4) nominees for Class B (Common) receiving the most number of votes will be elected as directors.

Votes will be cast through ballots or proxies. The ballots and proxies shall be submitted in time so as to be received by the Office of the Corporate Secretary/Stockholders Relation Office by mail or by email bccorpsec@benguetcorp.com on or before 3:00 p.m. of November 7, 2023, which is the deadline for submission of ballots and proxies.

Before a stockholder can participate in the Meeting via livestreaming and exercise his right to vote in absentia the stockholder must first register and be authorized. Please refer to Annex "C" of this information statement regarding procedure for authentication, participation through remote communication and voting in absentia.

PART II. INFORMATION REQUIRED IN A PROXY FORM

Identification

The Company's Chairman of the Board of Directors, Mr. Bernardo M. Villegas and/or the Corporate Secretary, Atty. Hermogene H. Real, and each or any of them as attorney(s)-in-fact, with the power of substitution to vote as proxy in all matters to be taken in the Annual Stockholders' Meeting on November 8, 2023 and at any and all other adjournment thereof.

Instruction

Instructions on how to accomplish and return the Proxy Form are set out in the Proxy Form and in the Notice of Annual Meeting of Stockholders. The proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted "**FOR**" the election of the nominees in the proxy form, in case the TRO is lifted on or before the scheduled or adjourned annual stockholders' meeting, allowing the election of directors; "**FOR**" approval of minutes of the November 9, 2022 Annual Stockholders' Meeting; "**FOR**" approval of Management Report and Audited Financial Statements for 2022; "**FOR**" approval of the extension of term/retention of Mr. Bernardo M. Villegas as Independent Director; "**FOR**" approval of the re-appointment of Sycip Gorres Velayo and Company (SGV) as the independent external auditor of the Company; "**FOR**" ratification and approval of all acts, contracts, resolutions and proceedings made and entered into by Management and/or the Board of Directors since November 8, 2022 until the date of 2023 Annual Stockholders' Meeting; and "**FOR**" such other matters as may properly come before the meeting in the manner described in the proxy statement as recommended by management, including adjourning the meeting for up to ninety (90) days if the election of directors is enjoined at the meeting date.

Proxies shall be validated and tabulated by a special committee composed of the Corporate Secretary, the Stockholders Relations of the Company, and the Company's stock transfer agent, Stock Transfer Service

Inc. (STSI) [by means of cross-checking the outstanding shares and signature of the stockholders against their records]. The tabulation of votes shall be done by the special committee and further reviewed by the Company's independent external auditor, Sycip Gorres Velayo & Co. (SGV), when necessary.

Revocability of Proxy

In the event a stockholder decides to participate in the meeting, he may, if he wishes, revoke his proxy and vote his shares in person. The grant of authority in the election of directors is subject to the lifting of TRO. In case no election of directors is held on the date of the Annual Stockholders' Meeting on November 8, 2023, the proxy will still be valid for ninety (90) days from said date, or up to February 6, 2024 and can still be exercised in the event the TRO is lifted after the November 8, 2023 Annual Stockholders' Meeting and an election is ordered within the said ninety (90) day-period.

Persons Making the Solicitation

The solicitation of proxies is made by or on behalf of the management of the Company in order to obtain the required quorum and the required vote to approve the subject matters to be taken in the annual stockholders' meeting of the Company. The solicitation is primarily by mail. Incidental personal solicitations may be made by officers, directors and regular employees of the Company whose number is not expected to exceed fifteen, and who will receive no additional compensation, therefore. The Company will bear the cost of preparing, assembling and mailing this Information Statement and other materials furnished to stockholders in connection with such proxy solicitation (including nominal cost of any such incidental personal solicitation) and the expenses of brokers, who shall mail such materials to their customers. Estimated cost of mailing the annual report together with the proxy statement upon written request of stockholders is P80,000.00

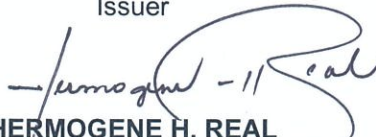
Other than the nominees for election as directors, no director, nominee, associate of the nominees or officer of the Company at any time since the beginning of the last fiscal year, had any substantial interest, directly or indirectly, by security holdings or otherwise, in any of the matters to be acted upon in the stockholders' meeting, other than election to office. No director has informed the Company in writing that he intends to oppose any action to be taken by the Company at the meeting.

The following are incorporated and form part of this report:

1. Annex "A" - Management Report
2. Annex "B" - Interim Report/Unaudited Interim Consolidated Financial Statements for Second Quarter Report ending June 30, 2023
3. Annex "C" - Rules and Procedure for Holding of, and Participation by Stockholders in the ASM by Remote Communication and Voting in Absentia
4. Annex "D" - Sworn Certificate of Qualification of Independent Director, Bernardo M. Villegas
5. Annex "E" - Sworn Certificate of Qualification of the Independent Director, Rhodora L. Dapula
6. Annex "F" - Sworn Certificate of Qualification of Independent Director, Elmer B. Serrano
7. Annex "G" - 2022 Audited Consolidated Financial Statements with:
 - 7.a Management's Responsibility for Financial Statements, and
 - 7.b Independent Auditor's Report on Supplementary Schedules.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on September 28, 2023.

BENGUET CORPORATION
Issuer
By: 
HERMOGENE H. REAL
Corporate Secretary

Annex "A"

BENGUET CORPORATION

MANAGEMENT REPORT

(Pursuant to Rule 20.4 of 2015 SRC Rules)

I. CONSOLIDATED AUDITED FINANCIAL STATEMENTS

The Audited Consolidated Financial Statements of Benguet Corporation and its Subsidiaries for the year ended 2022 (Annex "G") and the unaudited interim consolidated financial statements for the second quarter ended June 30, 2023 (Annex 'B') are attached to the Information Statement and are incorporated by reference. These are posted and available in the Company website www.benguetcorp.com and also, may be accessed through the PSE Edge Portal <https://edge.pse.com.ph>.

II. INFORMATION CONCERNING DISAGREEMENT WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

There are no disagreements between the Company and its independent public accountants, Sycip Gorres Velayo & Company (SGV) concerning to any matter relating to accounting principles or practices, financial statement disclosures, or auditing scope or procedures. The information and discussion regarding SGV are presented under Item 7 – Independent Public Accountants of this Information Statement.

III. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION, AND RESULTS AND PLAN OF OPERATION

The management's discussion summarizes the significant factors affecting the results of operations and financial condition of the Company for the years ended December 31, 2022, 2021, 2020 and 2019. The discussion should be read in conjunction with the attached audited consolidated statements of financial position of the Company as of December 31, 2022 and 2021, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the years ended December 31, 2022, 2021, 2020 and 2019. All necessary adjustments to present fairly the consolidated financial performance, financial position, and cash flows of the Company as of December 31, 2022, and for all the other periods presented, have been made.

A. REVIEW OF FINANCIAL RESULTS FINANCIAL PERFORMANCE

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 for 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	272.4%

Comparative balances for 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 ₱1.4 billion in 2021, (more than 3 times higher than the net income of ₱381.4 million in 2020, and twelve time 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 limes.

	2022	2021	2020	2019
Nickel	₱2,952.3	₱2,732.0	₱818.3	₱64.7
Gold	914.8	945.8	703.9	576.5
Lime and others	158.1	164.1	97.5	160.9
Gross Revenue	₱4,025.2	₱3,841.9	₱1,619.7	₱802.1

Revenues increased on 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 an effective average price of US\$46.97/ton in 2022, 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 in 2022 from ₱2.3 billion in 2021, ₱1.3 billion in 2020 and ₱923.8 million in 2019. The increase is mainly due to the 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 the higher cost of production of nickel ores, gold and lime brought by the increasing cost of power, fuel, materials and supplies and contractors fees.

Cost 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 the 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 the higher volume of nickel ores sold this year and the 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 in 2022 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 ores.

Other income in 2022 amounted to ₱164.0 million, lower than ₱229.1 million in 2021, ₱141.0 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, ₱277.0 million gain in revaluation of investment properties in 2021 and ₱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) (formerly Benguetcorp Nickel Mines, Inc. (BNMI)), Arrow Freight and Construction Corporation (AFCC) (formerly Arrow Freight Corporation (AFC)) and Keystone Port Logistics and Management Services Corporation (KPLMSC).

CONSOLIDATED STATEMENT OF 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	13.4	0	0%
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	402.9	406.8	(3.9)	(1.0%)
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 liability	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	0	9.2	0.0%
Retained earnings	4,021.8	2,598.8	1,423.0	54.8%
Other components of equity	1,352.6	1,183.1	169.5	14.3%
	6,417.5	4,788.1	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	0.0	0.0	0.0	0.0%
Retained earnings	2,598.8	2,217.4	381.4	17.2%
Other components of equity	1,183.1	1,205.0	(21.9)	(1.8%)
	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 and 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 increase by 66% to ₱1,002.7 million in 2022 from ₱603.2 million in 2021 and 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 ₱136.4 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 in 2022 from ₱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) increased 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 2020 and ₱40.23 million in 2019.

The property, plant and equipment 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 ₱449.4 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 in 2022, ₱277.0 million in 2021, ₱154.8 million in 2020 and ₱287.2 million in 2019.

Other noncurrent assets increased to ₱471.9 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 the 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 repayments made to various suppliers and contractors.

Loans payable in 2022 remained unchanged against 2021 of ₱337.0 million. This is, however, lower against the ₱509.0 million in 2020 and ₱507.89 million in 2019. The reduction was mainly due to the full payment of ₱185.0 million loans 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. The 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 advance to the Company against nickel ore shipment.

Equity

Total equity at year-end amounted to ₱7.8 billion in 2022, 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 in 2022 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 than ₱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 slightly higher compared to ₱1.4 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 Flows

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 is attributable mainly from the 22 boatloads of nickel ore and 9,363 ounces of gold sold this year 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 in 2022, 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 in 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 ₱65.2 million in 2022, ₱279.8 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.

B. OPERATIONAL OVERVIEW AND PLAN OF OPERATION

MINING OPERATIONS

Benguet Gold Operation (BGO) in Itogon, Benguet Province:

Gold operations in Itogon Province, milled a combined 47,516 tons of ore at an average mill head of 6.13 grams of gold per ton producing 9,402 ounces of gold in 2022, lower compared to 56,753 tons milled at an average mill head of 5.86 grams of gold per ton producing 10,675 ounces in year 2021 and higher against 43,756 tons of ore at an average mill head of 5.74 grams of gold per ton producing 7,915 ounces of gold in 2020 and 41,151 tons of ore at an average mill head of 6.43 grams per ton producing 8,175 ounces of gold in 2019.

Revenues reached ₱914.8 million in 2022, lower versus ₱945.8 million in 2021, (30% higher than ₱703.9 million in 2020 and 59% higher than the ₱576.5 million in 2019). Revenues in 2022 were derived from the sale of 9,363.56 ounces which is lower than 10,685.25 ounces in 2021, but higher than 8,081 ounces in 2020 and 8,235.65 ounces in 2019. Gold prices averaged at US\$1,802.02 per ounce in 2022, slightly lower than US\$1,806.02 in 2021 but higher than US\$1,750.25 per ounce in 2020 and US\$1,395.43 per ounce in 2019. Despite the strong price of gold and the strengthening of the US dollar against the peso, pre-tax income this year decreased to ₱10.8 million from pre-tax income of ₱149.9 million in 2021, ₱106.5 million in 2020 and pre-tax income of ₱34.3 million in 2019. The income this year was affected by the upsurge of operating costs brought by the increasing cost of fuel, power, and materials and supplies. The Acupan Gold Project (AGP) increased its milling charges to its contractors effective August 1, 2022, to mitigate increasing cost of fuel, power and other materials and supplies.

AGP is continuously pursuing its development and production plans in all potential underground mining areas towards attaining its 2023 budgeted targets. In line with this, AGP renewed production contract of 15 contractors.

Raising of Tailings Storage Facility 2 (TSF2) dam embankment and its appurtenances are now complete and constantly being monitored for its stability and soundness. Study and renewed use of TSF 3 as alternate tailings disposal is ongoing.

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.

Sta. Cruz Nickel Project (SCNP) in Sta. Cruz, Zambales Province:

SCNP continued its remarkable performance in 2022 despite the increasing cost of fuel and supplies. In 2022, SCNP reported a net income of ₱1.0 billion, higher compared to the net income of ₱880.4 million in 2021 and, net income of ₱169.9 million in 2020 and net losses of ₱191.2 million in 2019. The net income was the net effect of the higher revenues this year. SCNP generated ₱2.9 billion revenue in 2022, higher as compared to the ₱2.8 billion in 2021, ₱818.3 million in 2020 and ₱64.7 million in 2019. The revenue was derived from the sales of its low-grade ore ranging from 1.2% to 1.4% aggregating 1,169,328 tons in 2022 versus 1.2% to 1.5% nickel ores aggregating 1,175,050 tons in 2021, 1.2% to 1.4% nickel ore aggregating 483,952 tons in 2020 and 1.5% nickel ore weighing 55,000 tons in 2019. Increase in revenues was also brought about by higher foreign exchange rate at ₱53.18 per US\$1.00 against ₱48.97 per US\$1.00 in 2021, ₱49.43 per US\$1.00 in 2020 and US\$51.77 per US\$1.00 in 2019 and higher nickel price averaging at US\$46.97/ton in 2022 versus US\$47.38/ton in 2021, US\$34.21/ton in 2020 and US\$22.50/ton in 2019.

Following the continued demand for nickel, Benguetcorp Resources Management Corporation (BRMC) which manages the nickel business of the Company continued its mining operation and activities in Areas 2 and 3 in alignment with the approved 3-year Development and Work Program.

BRMC has been awarded the Presidential Mineral Industry Environmental Award (PMIEA)'s 2022 Platinum Achievement Award – Surface Mining Operation Category during the 68th Annual National Mine Safety and Environment Conference held on November 18, 2022. The Company continues to be ISO 14001:2015 certified by NQA. Its certification is valid until February 3, 2023. The scope of certification is Mining of Nickel Ore.

Irisan Lime Project (ILP) in Baguio City:

The Company's ILP generated ₱100.0 million revenue in 2022, higher against ₱75.1 million in 2021, ₱63.2 million in 2020 but lower than the ₱106.6 million in 2019. The increase in revenue is mainly due to the higher price of lime this year. Lime products were sold at an average price of ₱14,587/DMT in 2022 versus ₱10,518/DMT in 2021 and ₱10,268/DMT in 2020. Pre-tax income amounted to ₱18.1 million in 2022, compared to ₱13.5 million in 2021, ₱10.8 million in 2020 and ₱29.1 million in 2019.

On March 22, 2022, ILP obtained MGB approval of its 5-year Mineral Processing Permit valid until March 21, 2027. ILP was awarded Safest Mineral Processing – Calcining Plant Category Award – Runner-Up by the Philippine Mine Safety and Environment Association and the Department of Environment and Natural Resources – Mines and Geosciences Bureau, consistent for the past five (5) years, during the 68th Annual National Mine Safety and Environment Conference held on November 18, 2022.

Benguet Antamok Gold Operation (BAGO) in Itogon, Benguet Province:

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 starting 2019 was reduced from ₱43 million to ₱30 million. The aim of the FMRDP is principally to mitigate environmental risks and provide sustainable final land use over the area. It includes long-term programs such as Minahang Bayan. The Company implemented various activities such as continuous propagation of various seedlings in nurseries and maintenance of its established reforestation areas. During the year in review, the Company spent a total of ₱4.1 million for BAGO-Care and Maintenance Program (CMP) bringing its expenditures to-date to ₱27.0 million since 2015.

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 project remains viable particularly given that metal prices is expected to provide more opportunities for the Company to make it operable after some modifications.

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). Other preparation for the renewal includes conduct of topographic survey and environmental impact study.

On the aggregates prospect, permitting of the additional 6 QPA blocks which are nearest to proposed hauling road, is being rushed and scheduled to be completed in year 2023. Among others. This includes conduct of Environmental Compliance Certificate (ECC), inventory for Tree Cutting Permit, Special Land Use, and LGU clearances, NCIP certificate of non-coverage has been secured. Development of the quarry project will be undertaken with a joint venture partner, who will construct the road, provide processing equipment and port facility.

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 Company has an operating agreement with Orelina Mining Corporation to explore and operate the property comprising of 399.03 hectares. 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.

The Company has completed all the requirements of conversion of Zamboanga Gold Prospect's Application for Mineral Production Sharing Agreement Agreement (APSA) to Exploration Permit Application (EPA) such revisions of environmental/exploration programs, proof of operatorship and

financial capability. Following execution of the Memorandum of Agreement (MOA) with Indigenous People, the National Commission on Indigenous People (NCIP) has yet to issue Certificate of Precondition (FPIC). Once the EPA is approved, the Company will start the exploration activities including drilling in San Fernando vein.

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 measuring 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 new Coal Operating Contract (COC) is under the evaluation by the Department of Energy (DOE). Market prospects for local coal with low BTU remains to be a concern, as well as DOE's preference for clean energy and global shift to net-zero emissions.

Financial Technical Assistance Agreement:

The Company through 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

Arrow Freight and Construction Corporation (AFCC)

AFCC, the logistic provider of the Company generated ₱81.2 million revenue for the year 2022, lower as compared to revenues of ₱83.2 million in 2021, but higher than ₱32.2 million in 2020 and ₱14.2 million in 2019. The increase in revenues is attributable to the higher management fee in providing the logistical requirements of BRMC and the higher volume of nickel ore hauled using its own dump trucks. This resulted to a net income of ₱27.3 million, higher than the net income of ₱17.9 million in 2021, ₱11.6 million in 2020 and P1.9 million in 2019. AFCC purchased 3 units of dump truck increasing its hauling fleet to 11 units and 2 backbones to handle ore loading services for BRMC. AFC amended its Articles of Incorporation expanding its business from logistics to logistics and construction business to increase its capital. With the approval of the amendment by the Securities and Exchange Commission in February 2023, AFCC plans to purchase additional dump trucks and construction equipment to handle the hauling requirements of BRMC, the aggregates project in Pantingan, Bataan and to start its construction business.

Keystone Port Logistics and Management Services Corporation (KPLMSC)

Keystone, the port and barging services provider of the Company generated ₱84.7 million revenue in 2022, higher as compared to ₱78.3 million revenue in 2021, ₱33.0 million in 2020 and ₱5.5 million in 2019. This year, Keystone handled 1,169,328 tons of nickel ore exports versus 1,175,050 tons nickel ore exports in 2021 and 483,952 tons in 2020. Net income in 2022 amounted to ₱38.1 million, lower than ₱48.4 million in 2021, ₱13.9 million in 2020 and P5.3 million net loss in 2019. Repair of south of the pier head is still ongoing and expected to be completed in year 2023. This will allow more shipments for BRMC and other mining companies in the area.

BMC Forestry Corporation (BFC)

BFC manages the real estate projects and the lime kiln operation of Irian Lime Project. BFC reported a net income of ₱2.8 million in 2022 higher than the net income of ₱1.6 million in 2021, net loss of ₱0.4 million in 2020 and net income of ₱1.6 million in 2019 were reported..

BFC plans to acquire and develop new property as part of its plan to expand its real estate projects in La Union.

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.

BenguetCorp Laboratories Inc. (BCLI)

BCLI, the health care provider of the Company generated ₱55.5 million revenue this year, higher against ₱53.8 million in 2021, ₱33.1 million in 2020 and P36.0 million in 2019. The increase is attributed to Annual Physical Examination (APE) services to major clients Texas Instruments and MOOG, flu vaccination, special services, 2D echo and Ultrasound procedures, as well as increase in walk-in patients due to improving COVID-19 situation in the city although reducing availments for Antigen swab. As a result, BCLI reported a net income of ₱8.1 million this year, higher against net income of ₱6.7 million in 2021 and net losses of ₱3.9 million and P18.0 million in 2020 and 2019 respectively.

BCLI's contract with Texas Instruments ended in December 31, 2022, however, client requested an extension of 3 months ending in March 2023 for the clinic management and medical services for Baguio City and Clark, Pampanga hubs. On the other hand, its long-standing corporate client, MOOG, renewed its contract to provide full clinic management services in its site.

BCLI maintained its ISO certification having passed ISO second surveillance audit last November 22, 2022 with scope on provision of out patient medical services. Since January 2018, BCLI has been ISO 9001:2015 – Quality Management System, certified by an accredited certifying body TÜVRheinland®. BCLI is the only free standing clinic in Baguio City that is ISO-certified.

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.

C. KEY PERFORMANCE INDICATORS

The Company 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, 2022, the Company's current ratio is 3.38:1, 2.08:1 in 2021, 1.06:1 in 2020 and 0.73:1 in 2019.

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\$1,802.02 per ounce in 2022, US\$ 1,806.68 per ounce in 2021, US\$1,750.25 per ounce in 2020 and US\$1,395.43 per ounce in 2019. Nickel ore was sold at an effective average price of US\$46.97/ton in 2022, US\$47.38/ton in 2021, US\$34.21/ton in 2020 and US\$22.50/ton in 2019.

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 47,516 in 2022, with an average ore grade of 6.13 grams per ton of gold, compared to 56,753 in 2021 with an average grade of 6.68 grams per ton of gold, 43,756 in 2020 with an average grade of 5.74 grams per ton of gold and 41,151 tons in 2019 with average grade of 6.43 grams per ton of gold.

Gold sold in 2022 were 9,363.56 ounces versus 10,685.25 ounces in 2021, 8,081 ounces sold in 2020 and 8,236.66 ounces sold in 2019. BRMC sold nickel ore this year with an aggregate volume of 1,169,328 ranging from 1.2% to 1.4% grade nickel ore versus 1,175,050 tons of 1.2% to 1.5% grade nickel ore in 2021, in 2020 with aggregate volume of 483,952 tons of 1.2% to 1.4% grade nickel ore and in 2019 with 55,000 tons of 1.5% grade nickel ore.

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, 2022, the peso to dollar exchange rate was at ₱55.75, ₱50.99 in 2021, ₱48.021 in 2020 and ₱50.635 in 2019.

Earnings Per Share

The earnings per share ultimately reflect the Company's financial and operational growth as a result of its performance in cost management and 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 2022 is ₱2.14, ₱2.29 in 2021, ₱0.62 in 2020 and ₱0.19 in 2019.

D. KNOWN TRENDS, EVENTS OR UNCERTAINTIES

The Company constantly observe precautionary measures in response to the COVID-19 pandemic and other infectious diseases to reduce risks, safeguard the health and safety of its employees.

The Company continuously provides assistance, essentials for COVID-19 for Barangay Health Workers and Barangay Nutrition Scholars, frontliners, to help mitigate the effects of the virus and to enhance the response capability of the community in case of health and emergency situations. A total of ₱1.16 million from Social Development and Management Program (SDMP) funds were used for relief goods, medicines, personal protective equipment to frontliners and indigent families in the host and neighboring communities of AGP, BRMC and ILP. From 2020 to 2022, COVID-19 related expenses totaled ₱10.03 million which included building and renovation of Company properties for quarantine facilities. Incentives are also provided for Barangay Health Workers to assist them in reaching out to far flung areas in the performance of their duties.

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, exorbitant power charges, fuel 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 change 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, and the present economic condition affected by the Covid-19 pandemic and continuing Russia-Ukraine War.

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 of 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, 2022 vs December 31, 2021; and
- Seasonal aspects that had a material impact on the Company's financial condition or results of operations.

IV. NATURE AND SCOPE OF BUSINESS OF THE COMPANY AND ITS SUBSIDIARIES

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 119 years of existence as a testament to its adaptability and resiliency in the face of changes 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 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 (KPLMSC). 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 Corporation (AFC); 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, Benguetcorp Resources Management Corporation (BMRC) (formerly Benguetcorp Nickel Mines, Inc. (BNMI)). 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.

Properties

The Company owns patented lands, mining, milling, various automotive equipment/vehicles and support facilities for its gold mining operations in Itogon, Benguet Province: Irisan Lime Project in Baguio City; port, 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 is currently on care and maintenance basis.

The Company continues to lease a unit at the Universal Re Building, 106 Paseo de Roxas, Makati City where its Corporate Head Office is situated. Rental is ₱665,916.80 per month VAT inclusive subject to 10% escalation yearly up to June 30, 2023.

Subsidiaries: BMRC (formerly BNMI) is the holder of MPSA No. 226-005-III with an area of 1,406.74 hectares located in Sta. Cruz, Zambales. It owns assaying/laboratory equipment and various automotive equipment and vehicles for its mining business operations. BRMC continues to lease at ₱76,986.61 per month for office occupancy in Sta. Cruz, Zambales. The lease is renewable every 5 years subject to an escalation rate of 7.5% every two years. Also, it leases a property being used as staff house of ₱25,000 net of tax subject to a 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 on the 3rd floor One Corporate Plaza

Condominium, Pasay Road, Legazpi Village, Makati City. BFC continues to develop and sell the remaining four (4) lots with an aggregate area of 1,403 square meters in its real estate project Woodspark Rosario Subdivision Project 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 ₱330,750.00 per month, and in Central Mall, Baguio City at ₱112,299.44 per month. The lease is subject to 10% escalation yearly.

AFCC owns various heavy equipment/vehicle for its logistics business operations. It leases a property at ₱24,200 per month for office occupancy at Sta. Maria, Bulacan subject to 10% escalation rate up to February 15, 2023. It 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 of acquiring any significant property in the next 12 months except for BFC, which plans to acquire new property in La Union and nearby areas of Pangasinan for the development of new housing project.

Legal Proceedings

As of December 31, 2022, 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.

V. DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

The discussion regarding identity of each of the Company's Directors and Executive Officers, including their principal occupation or employment, name and principal business of any organization by which such persons are employed is presented in Item 5 titled "Directors and Executive Officers" of this Information Statement.

VI. MARKET PRICE OF AND DIVIDENDS OF THE COMPANY'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Outstanding Shares

As of August 31, 2023, there are 217,061 shares outstanding of the Company's Convertible Preferred Class A stock with a par value of ₱3.43 per share, 375,120,008 shares outstanding of Common Class A stock and 248,064,121 shares outstanding of Common Class B stock, both with a par value of ₱1.00 per share. Each share of stock outstanding is entitled to one vote. The Common Class A and Convertible Preferred Class A shares can be owned only by Philippine nationals and the Common Class B shares may be owned by anyone regardless of nationality. The shares are 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 shares.

Public Ownership / Foreign Ownership

- a. As of August 31, 2023, the public float is 45.91% of the total outstanding shares of the Company.
- b. As of August 31, 2023, of the 623,401,190 total outstanding shares of the Company, 13.27% are owned (82,770,535 common Class B shares) by foreign nationals.

Market Price

As of September 22, 2023, the closing price in the PSE of the Company's common Class A is ₱4.07 per share. Closing price of common Class B as of September 18, 2023 is ₱4.34 per share. The closing price of Convertible Preferred Class A was ₱23.30 per share as of last trading on December 6, 2022.

- a) For First and Second Quarter of 2023, the high and low prices of the Company's shares in the PSE are as follows:

	1st Quarter	2nd Quarter
	2023	
CONVERTIBLE PREFERRED CLASS A *		
Highest Price/Share	P-	P-
Lowest Price/Share	-	-
COMMON CLASS A		
Highest Price/Share	₱5.70	₱4.88
Lowest Price/Share	4.05	4.38
COMMON CLASS B		
Highest Price/Share	₱5.40	₱4.90
Lowest Price/Share	4.06	4.36

(* No trading transactions in First and Second Quarter of 2023)

- b) For each Quarter of 2022, 2021 and 2020, the high and low prices of the Company's shares in the PSE are as follows:

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	2022	2021	2022	2021	2022	2021	2022	2021
CONVERTIBLE PREFERRED CLASS "A" *								
Highest Price/share	₱47.30	₱27.00	P-	₱30.00	P-	₱45.00	₱33.20	₱31.55
Lowest Price/Share	47.30	18.00	-	18.90	-	45.00	23.30	31.55
COMMON CLASS "A"								
Highest Price/Share	₱7.20	₱3.73	₱7.68	₱5.88	₱5.89	₱5.88	₱5.05	₱6.58
Lowest Price/Share	4.95	2.26	5.45	2.48	4.77	4.40	4.07	4.80
COMMON CLASS "B"								
Highest Price/Share	₱7.00	₱3.60	₱7.77	₱5.58	₱5.95	₱5.87	₱5.44	₱6.40
Lowest Price/Share	4.50	2.41	5.60	2.40	4.90	4.12	4.03	4.73

*No trading transactions for 2nd and 3rd quarter of 2022.

- c) For each quarter of 2020 and 2019, the high and low prices of the Company's shares in the PSE are as follows:

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	2020	2019	2020	2019	2020	2019	2020	2019
CONVERTIBLE PREFERRED CLASS "A" *								
Highest Price/share	P-	P-	P-	P-	P-	P-	₱12.00	P-
Lowest Price/Share	-	-	-	-	-	-	12.00	-
COMMON CLASS "A"								
Highest Price/Share	₱1.30	₱1.50	₱1.46	₱1.80	₱3.12	₱1.25	₱3.50	₱1.28
Lowest Price/Share	0.96	1.12	0.70	1.08	1.09	1.10	2.45	0.98
COMMON CLASS "B"								
Highest Price/Share	₱1.20	₱1.57	₱1.39	₱1.75	₱3.03	₱1.30	₱3.30	₱1.15
Lowest Price/Share	0.89	1.11	0.95	1.11	1.14	1.02	2.34	1.02

* No trading transactions 1st, 2nd and 3rd quarter of 2020 and the whole year of 2019.

Holders:

As of August 31, 2023, the total number of stockholders in the records of the Company's stock transfer agent, Stock Transfer Service Inc. (STSI) is 16,887 (consisting of 3,122 shareholders of Common Class A; 13,178 shareholders of Common Class B; and 587 shareholders of Convertible Preferred Class A). The list of top 20 stockholders for Common Class "A", Common Class "B" and Convertible Preferred Class "A" shares of the Company are as follows:

A. Common Class "A" Share

Name	Number of Shares Held	Percent to Total Outstanding/Class
PCD Nominee Corporation (Filipino)	180,944,441	48.20%
Palm Avenue Holding Company, Inc.	65,624,727	17.48%
Palm Avenue Holdings Co. and/or Palm Avenue Realty Corp.	63,920,490	17.03%
Palm Avenue Holdings Co. and/or Palm Avenue Realty Corp.	30,834,375	8.21%
House of Investment, Inc.	8,545,911	2.28%
FEBTC TA 4113-000204-5 (ESPP)	5,067,846	1.35%
FEBTC TA 4113-00204-5	3,016,623	0.80%
Cynthia Manalili Manalang	1,500,000	0.40%
RP Land Development Corporation	960,000	0.26%
Sysmart Corporation	868,957	0.23%
Paredes, Gabriel M. or Paredes, Marianne G.	564,900	0.15%
Pan Malayan Management and Investment Corporation	431,844	0.12%
RCBC TA #74-034-9	363,129	0.10%
Sun Hung Kai Sec. A/C# YU034	356,625	0.09%
Marilex Realty Development Corporation	331,200	0.09%
Enrique T. Yuchengco, Inc.	257,376	0.07%
Hermogene H. Real	240,300	0.06%
Luis Juan L. Virata	234,003	0.06%
Francisco M. Vargas	219,000	0.06%
The First National Investment Corporation	188,130	0.05%

B. Common Class "B" Share

Name	Number of Shares Held	Percent to Total Outstanding/Class
PCD Nominee (Filipino)	116,296,137	46.87%
Palm Avenue Realty and Development Co.	43,680,000	17.61%
Cede & Co.	29,674,860	11.96%
PCD Nominee (Non-Filipino)	27,938,139	11.26%
Pan Malayan Management & Investment Corporation	2,100,000	0.85%
Michael Vozar TOD Sharon K. Vozar Sub To Sta Tod Rules	736,260	0.30%
Charles F Carroll TTEE, UA 05/24/95FBO Carroll Family Trust 1	543,000	0.22%
National Financial Services	504,033	0.20%
Fairmount Real Estate, Inc.	484,257	0.20%
Independent Realty Corporation	483,441	0.19%
Evelyn B Stephanos TR UA 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) SA9-17 Quai Des Bergues	303,795	0.12%
Garry A. Gil TTEE FBO Arthur Weir Gill Rev Tr	300,000	0.12%
William David Courtright	300,000	0.12%
Edmun S. Pomon	300,000	0.12%

William T. Coleman	300,000	0.12%
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)	65,722	30.28%
Fairmount Real Estate	59,262	27.30%
Jose Concepcion, Jr.	5,000	2.30%
Reginaldo Amizola	1,737	0.80%
Evengeline Alave	1,720	0.79%
Maverick Marketing Corporation	1,720	0.79%
Jayne Jalandoni	1,380	0.64%
Rosendo U. Alanzo	1,376	0.63%
Romelda E. Asturias	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%
Carlos W. Ylanan	1,000	0.46%
Benito V. Jalbuena	1,000	0.46%
Equitiworld Securities, Inc	1,000	0.46%
B & M Incorporated	952	0.44%

Dividends

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 the Company, to wit:

"For a period of 10 years after issuance, the holders, 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 dividend payable at any given time on Common Class A, Common Class B, 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 per centum (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 and accrued and unpaid, if any on the Convertible Preferred Stock at the end of any given fiscal year of the Corporation shall be calculated, 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.”

The Company has not declared any dividends in the four (4) most recent fiscal years 2022, 2021, 2020 and 2019 due to restrictions provided for in the Company’s loan agreements with creditor banks. Declared cash dividends (1958-1990) are as follows:

Stock	Amount	Record Date	Payable Date
Convertible Preferred	₱0.28	May 22, 1984	June 29, 1984
	₱0.28	March 16, 1987	April 30, 1987
	₱0.28	June 8, 1988	July 22, 1988
	₱0.28	June 9, 1989	July 24, 1989
Common Class A and B	₱0.30	October 13,1958	December 1, 1958
	₱0.23	April 6, 1962	May 15,1962
	₱0.15	August 15, 1962	September 17, 1962
	₱0.15	February 28, 1963	April 30, 1963
	₱0.20	December 22, 1964	March 15, 1965
	₱0.20	December 28, 1965	March 1, 1966
	₱0.50	July 1, 1974	August 31, 1974
	₱0.75	January 2, 1975	February 28, 1975
	₱0.50	July 1, 1975	August 31, 1975
	₱0.50	July 1, 1976	August 31, 1976
	₱0.25	July 1,1977	August 31, 1977
	₱1.50	April 30,1981	June 30, 1981
	₱0.75	November 3, 1981	December 31, 1981
	₱0.90	November 23, 1982	December 31, 1982
	₱1.00	May 24, 1983	June 30, 1983
	₱2.10	November 22, 1983	December 29, 1983
	₱1.40	May 22, 1984	June 29, 1984
	₱1.40	November 30,1984	December 31, 1984
	₱1.00	December 31, 1987	February 21, 1988
	₱1.50	June 8, 1988	July 22, 1988
₱2.50	December 8, 1988	January 20,1989	
₱1.50	June 9, 1989	July 24, 1989	
₱0.50	December 2,1 1989	February 4, 1990	

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 31,2022, 2021, 2020 and 2019:

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) 3,655,600 Class “A” shares at option price of P1.38/share with par value of P1.00/share;
 - b) 2,379,023 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 31,2022, 2021, 2020 and 2019 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 modifications of outstanding securities. The shares granted under the Company’s Plan were exempted from registration under SEC Resolution No. 084

dated March 31, 2008 and SEC Resolution No. 5 Series of 2020 and the listing of the shares was approved by the PSE.

VII. COMPLIANCE WITH LEADING PRACTICES ON 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 2021 Integrated Annual Corporate Governance Report (2021 I-ACGR) to the Commission and the Exchange on June 30, 2022. The 2022 Integrated Annual Corporate Governance Report (2022 I-ACGR) was submitted to the Commission and the Exchange on May 30, 2023.

The directors, officers and employees adhere to the leading practices and principles of good corporate governance. Corporate governance policies and principles were established to ensure that the interest of stakeholders is 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 two independent directors and one compliance officer namely: Mr. Bernardo M. Villegas is the Chairman and member is: Atty. Rhodora L. Dapula; the Compliance Officer is Mr. Max D. Arceño.

UNDERTAKING TO PROVIDE COPIES OF THE ANNUAL REPORT AND INTERIM FINANCIAL STATEMENTS

Upon the written request of the Stockholder, the Company undertakes to provide said Stockholder without charge a printed copy of the Company's Annual Report 2022 (SEC Form 17-A) and/or the Company's Second Quarterly Report (SEC Form 17-Q) for the period ended June 30, 2023 as filed with the Securities and Exchange Commission. Such written request should be addressed to: THE MANAGER, Shareholder Relations Office, Benguet Corporation, 7th Floor Universal Re-Building, 106 Paseo de Roxas, 1226 Makati City, Philippines. The Company's Information Statement (SEC Form 20-IS), Annual Report (SEC Form 17-A), and Quarterly Report (SEC Form 17-Q) are posted and downloadable on the Company's website: <www.benguetcorp.com> and may be accessed in the online system of PSE Edge Portal <https://edge.pse.com.ph>.

Annex “B”

INTERIM REPORT / UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2023

Information on the Company’s financial results and results of operations contained in the Interim Unaudited Consolidated Financial Statements for the period ended June 30, 2023 as filed with the SEC and PSE in the 2023 Second Quarter Report under SEC Form 17-Q are as follows:

A. REVIEW OF FINANCIAL RESULTS

a. Financial Performance

SECOND QUARTER 2023 Vs. SECOND QUARTER 2022

Lower nickel prices on the back of oversupply from Indonesia coupled with subdued demand from China reduced the company’s revenues resulting to a decline in net income in the second quarter of this year.

CONSOLIDATED RESULTS OF OPERATIONS

Three Months Ended June 30, 2023

Comparative figures for June 30, 2023 and June 30, 2022

Amount in Millions

	2023	2022	Change	% of Change
Revenues	344.0	1,468.3	(1,124.3)	(76.6%)
Cost and Operating Expenses				
Costs of mine products sold	135.5	333.1	(197.6)	(59.3%)
Cost of merchandise sold and services	17.8	22.5	(4.7)	(20.9)
Selling and general	177.2	277.6	(100.4)	(36.2%)
Taxes on revenue	21.7	115.2	(93.5)	(81.2%)
	352.2	748.4	(396.2)	(52.9%)
Income (Loss) from Operations	(8.2)	719.9	(728.0)	(101.1%)
Interest Expense	0.0	0.4	(0.4)	(99.0%)
Other Income (Expense)				
Interest income	1.2	0.4	0.8	200.0%
Foreign exchange gain	17.4	17.3	0.1	0.6%
Miscellaneous – net	22.7	(1.0)	23.7	2,370.0%
	41.3	16.7	24.6	147.3%
Income before income tax	33.1	736.2	(703.1)	(95.5%)
Provision for income tax	3.1	182.8	(179.7)	(98.3%)
Net income	30.0	553.4	(523.4)	(94.6%)

Six Months Ended June 30, 2023

Comparative figures for June 30, 2023 and June 30, 2022

Amount in Millions

	2023	2022	Change	% of Change
Revenues	1,603.2	2,724.8	(1,121.6)	(41.2%)
Cost and Operating Expenses				
Costs of mine products sold	342.4	600.7	(258.3)	(43.0%)
Cost of merchandise sold and services	45.2	41.9	3.3	7.9%
Selling and general	544.3	594.8	(50.5)	(8.5%)

Taxes on revenue	122.3	211.3	(89.0)	(42.1%)
	1,054.2	1,448.8	(394.5)	(27.2%)
Income (Loss) from Operations	548.8	1,276.0	(727.2)	(57.0%)
Interest Expense	0.3	1.4	(1.1)	(78.6%)
Other Income (Expense)				
Interest income	1.9	0.8	1.1	137.5%
Foreign exchange gain	3.4	19.9	(16.5)	(82.9%)
Miscellaneous – net	23.2	0.9	22.3	2,477.8%
	28.6	21.6	6.9	31.9%
Income before income tax	577.2	1,296.3	(719.1)	(55.5%)
Provision for income tax	138.6	322.2	(183.6)	(57.0%)
Net income	438.6	974.1	(535.5)	(55.0%)

Consolidated net income for the second quarter and first semester of 2023 amounted to ₱30.0 million and ₱438.6 million, respectively, a decline of 94% and 55% from the net income of ₱553.4 million and ₱974.1 million for the same respective periods in 2022. The increase/decrease in net income was the net effect of the following:

Revenues

Consolidated revenues declined from ₱1.5 billion in the second quarter of 2022 and ₱2.7 billion in the first half of 2022 to ₱344.0 million and ₱1.6 billion for the same respective periods in 2023. The decrease in revenue both for the second quarter and first half of 2023 was attributed to the lower volume of nickel ore sold due to lower nickel ore prices and lower gold production. BRMC sold 2 boatloads of nickel ore with an aggregate volume of 109,080 tons valued at ₱188.1 million in the second quarter and 11 boatloads of nickel ore with aggregate volume of 586,294 tons valued at ₱1.2 billion in the first semester of 2023 compared to 8 boatloads of nickel ore with aggregate volume of 427,193 tons valued at ₱1.2 billion and 16 boatloads with aggregate volume of 851,208 tons valued at ₱2.1 billion for the same respective periods in the previous year. To-date June, nickel ore was sold at an average price of US\$38.31/ton versus US\$47.80/ton for the same period last year.

Operating and Other Expenses

Cost and operating expenses in the second quarter this year amounted to ₱352.2 million, lower compared to ₱748.4 million for the same quarter in 2022. For the first semester this year, cost and operating expenses dropped to ₱1,054.2 or 27% against ₱1,448.8 million for the same period last year. The increase/decrease was the net effect of the following:

Cost of mine products sold reduced by 59% during the quarter. The decrease was mainly due to the decline in volume of nickel ore exported and lower gold production.

Cost of services and other sales decreased from ₱22.4 million to ₱17.8 million. The decrease is due to lower shipments of nickel ore handled by the logistics subsidiaries of the Company.

Selling and general expenses decreased during the quarter on account of lower sales of nickel laterite ore.

Decrease in excise taxes and royalty fees is due to lower nickel ore and gold sales during the quarter

Other income for the second quarter and first semester this year amounted to ₱41.3 million and ₱28.6 million, respectively. On the other hand, other income for the second quarter and first semester of 2022 amounted to ₱16.7 million and ₱21.6 million, respectively. Other income for the second quarter came

mainly from fair value gain of financial assets at FVPL and foreign exchange gain on the Company's export of nickel ore.

Provision for income tax of ₱138.6 million for the first semester this year pertains to the regular corporate income tax of Benguet Corporation, Benguetcorp Resources Management Corporation (BRMC), Arrow Freight and Construction Corporation (AFCC), Keystone Port Logistics and Management Services Corporation (KPLMSC) and BMC Forestry Corporation (BFC).

SECOND QUARTER 2022 Vs. SECOND QUARTER 2021

The Company continued to render strong operating performance in the second quarter of 2022 brought about by high metal prices, increased export volume owing to good weather conditions, and favorable foreign exchange. All operating units posted profits; notable of which are the nickel operation in Sta. Cruz, Zambales, gold operation in Itogon, Benguet, and lime operation in Irisan.

CONSOLIDATED RESULTS OF OPERATIONS

Three Months Ended June 30, 2022

Comparative figures for June 30, 2022 and June 30, 2021

Amount in Millions

	2022	2021	Change	% of Change
Revenues	1,468.3	999.6	468.7	46.9%
Cost and Operating Expenses				
Costs of mine products sold	333.1	324.8	7.3	2.6%
Cost of merchandise sold and services	22.5	13.0	9.5	73.1%
Selling and general	277.6	162.5	115.1	70.8%
Taxes on revenue	115.2	74.0	41.2	55.7%
	748.4	574.3	174.1	30.3%
Income (Loss) from Operations	719.9	425.3	294.5	69.2%
Interest Expense	0.4	1.2	(0.8)	(66.7%)
Other Income (Expense)				
Interest income	0.4	0.2	0.2	100.0%
Foreign exchange gain	17.3	(0.9)	16.4	1,822.2%
Miscellaneous – net	(1.0)	(16.6)	(15.6)	(94.0%)
	16.7	(17.3)	34.0	196.5%
Income before income tax	736.2	406.8	(329.4)	(81.0%)
Provision for income tax	182.8	103.7	79.1	76.3%
Net income	553.4	303.1	250.3	82.6%

Six Months Ended June 30, 2022

Comparative figures for June 30, 2022 and June 30, 2021

Amount in Millions

	2022	2021	Change	% of Change
Revenues	2,724.8	2,281.2	443.6	19.4%
Cost and Operating Expenses				
Costs of mine products sold	600.7	611.1	(10.8)	(1.8%)
Cost of merchandise sold and services	41.9	26.5	15.4	58.1%
Selling and general	594.8	331.6	263.2	79.4%
Taxes on revenue	211.3	175.8	35.5	20.2%

	1,448.8	1,145.4	303.3	26.5%
Income (Loss) from Operations	1,276.0	1,135.8	140.2	12.3%
Interest Expense	1.4	1.8	(0.4)	(22.2%)
Other Income (Expense)				
Interest income	0.8	0.3	0.5	166.7%
Foreign exchange gain	19.9	(5.4)	25.3	468.5%
Miscellaneous – net	0.9	(30.5)	31.4	103.0%
	21.6	(35.6)	57.2	160.7%
Income before income tax	1,296.3	1,098.4	197.9	18.0%
Provision for income tax	322.2	276.7	45.5	16.4%
Net income	974.1	821.7	152.4	18.5%

Consolidated net income for the second quarter of 2022 climbed 83% to P553.4 million from the P303.1 million net income for the same period in 2021. For the first semester of 2022, net income amounted to P974.1 million, 19% higher than the P821.7 million net income for the same period in 2021. The increase in net income was the net effect of the following:

Revenues

Consolidated revenues rose significantly to P1.5 billion for the second quarter of 2022 and P2.7 billion for the first half of 2022 from P999.6 million and P2.3 billion reported for the same respective periods in 2021. The increase in revenue both for the second quarter and first half of 2022 was mainly from a higher number of nickel ore shipments made and higher metal prices. BMRC sold 8 boatloads of nickel with an aggregate volume of 427,193 tons valued at P 1.2 billion in the second quarter and 16 boatloads of nickel ore with an aggregate volume of 851,208 tons valued at P2.1 billion for the first semester of 2022 compared to 7 boatloads with an aggregate volume of 363,293 tons valued at P726.5 million and 15 boatloads with an aggregate volume of 798,768 tons valued at P1.8 billion for the same respective periods in previous year. As of June 2022, nickel ore was sold at an average price of US\$47.90/ton versus US\$45.40/ton for the same period in 2021.

Operating and Other Expenses

Cost and operating expenses in the second quarter of 2022 correspondingly increased to P748.4 million from P574.3 million for the same quarter in 2021 mainly due to the increase in cost of mine products sold, selling and general expenses and taxes on revenue. For the same reason, costs and operating expenses for the first semester of 2022 went up to by 26% to P1,448.8 million from P1,145.4 million for the same period in 2021.

Cost of mine products sold refers to the production costs of the Company's mineral products such as gold, silver, lime and nickel. Cost of mine products for the second quarter increased to P333.1 million in 2022 from P324.8 million in 2021 due to increasing labor cost, material and supplies and other services in relation to production. While there was an increase during the second quarter, the cost of mine products sold decreased to P600.7 million in the first semester of 2022 from P611.5 million in the same period in 2021. The decrease is the result of the continuous cost-saving measures that the Company is implementing.

Cost of merchandise sold and services in the second quarter of 2022 increased to P22.5 million from P13.0 million for the same quarter in 2021. Likewise, during the first semester of 2022, the costs of merchandise sold, and services increased to P41.9 million from P26.5 million for the same period in 2021. This is due to the increase in laboratory services sold by the Company's healthcare services.

Selling and general expenses include the necessary expenses to sell and operate the Company's business. In the second quarter of 2022, selling and general expenses increased to P277.6 million from P162.5 million while in the first semester of 2022, the selling and general expenses rose from P331.6

million to ₱594.8 million for the same period in 2021. This is mainly due to the higher sales of nickel laterite ore.

Taxes on revenue increased to ₱115.2 million for the second quarter of 2022 and ₱211.3 million for the first half of 2022 from ₱74.0 million and ₱175.8 million for the same periods in 2021. Increase is attributable to higher revenues from the sale of nickel laterite ores. These revenues were subject to royalty fees and excise taxes of 5% and 4%, respectively.

Interest expenses consist of banking and finance charges incurred on transactions related to the export of the Company's nickel laterite ore. For the second quarter of 2022, interest expenses decreased to ₱0.4 million from ₱1.2 million while for the first semester, interest expenses decreased to ₱1.4 million from ₱1.8 million from the same period in 2021. The decreased was mainly attributable to the lower transaction charges being handled by the bank in relation to the export of the Company's sale of nickel ores.

Other income for the second quarter and first semester of 2022 amounted to ₱16.7 million and ₱21.6 million, respectively. In contrast, other expenses for the second quarter and first semester of 2021 amounted to ₱17.3 million and ₱35.6 million, respectively. Complete turn-around of other income from 2021 came from higher US dollar-peso exchange rate from the Company's export of nickel laterite ore.

Provision for income tax of ₱182.8 million and ₱322.2 million for the second quarter and first semester of 2022 pertains to the regular corporate income tax of Benguet Corporation (BC), Benguetcorp Resources Management Corporation (BRMC), Arrow Freight Corporation (AFC), Keystone Port Logistics and Management Services Corporation (KPLMSC) and BMC Forestry Corporation (BFC).

b. FINANCIAL CONDITION

FIRST SEMESTER 2023 Vs. YEAR ENDED DECEMBER 31 2022

Comparative figures for June 30, 2023 and December 31, 2022

Amount in Millions

	2023	2022	Change	% of Change
Assets				
Current Assets				
Cash and cash equivalent	977.8	1,002.8	(25.0)	(2.5%)
Trade and other receivables	729.0	782.5	(53.5)	(6.8%)
Inventories	230.6	180.6	50.0	27.7%
Financial assets at fair value through profit or loss (FVPL)	1,271.3	1,114.6	156.7	14.1%
Other current assets	387.4	352.4	35.0	9.9%
Total Current Assets	3,596.1	3,432.9	163.2	4.8
Noncurrent Assets				
Property, plant and equipment	2,503.6	2,509.9	(6.3)	(0.3%)
Deferred mine exploration costs	515.4	492.5	22.9	4.6%
Investment properties	2,992.0	2,992.0	0	0.0%
Deferred tax assets – net	9.9	9.9	0	0.0%
Other noncurrent assets	493.8	471.9	21.9	4.6%
Total Noncurrent Assets	6,514.7	6,476.2	38.5	0.6%
Total Assets	10,110.8	9,909.1	201.7	2.0%
Liabilities and Equity				
Current Liabilities				
Loans payable	337.0	337.0	0	0.0%

Trade and other payables	470.4	555.7	(85.3)	(15.4%)
Current portion of liability for mine rehabilitation	10.5	10.5	0	0.0%
Current portion of lease liability	6.1	6.3	(0.2)	(3.2%)
Income tax payable	8.2	105.9	(97.7)	(92.3%)
Total current liabilities	832.2	1,015.4	(183.2)	(18.0%)
Noncurrent liabilities				
Deferred income tax liabilities – net	769.1	769.2	(0.10)	(0.01%)
Liability for mine rehabilitation	48.6	48.6	0	0.0%
Pension liability	56.0	56.0	0	0.0%
Noncurrent portion of lease liability	5.1	5.8	(0.7)	(12.1%)
Other noncurrent liabilities	185.1	237.8	(52.7)	(22.2%)
Total Noncurrent Liabilities	1,063.9	1,117.4	(53.5)	(4.8%)
Total Liabilities	1,896.1	2,132.8	(236.7)	(11.1%)
Equity				
Capital Stock	624.2	624.0	0.2	0.0%
Capital Surplus	415.2	415.1	0.1	0.0%
Cost of Share-Based payment	6.3	6.3	0	0.0%
Other components of equity	1,385.0	1,385.5	(0.5)	0.04%
Retained earnings	5,792.1	5,353.4	438.7	8.2%
	8,222.8	7,784.3	438.5	5.6%
Cost of 116,023 shares held in Treasury, P69 per share	(8.1)	(8.1)	0	0.0%
Total Equity	8,214.7	7,776.2	438.5	5.6%
Total Liabilities and Equity	10,110.8	9,909.0	201.8	2.0%

Assets

The Company ended the second quarter of 2023 with consolidated total assets of ₱10.1 billion, higher than the ₱9.9 billion assets in 2022. The increase is the net effect of the following:

Cash and cash equivalent decreased by 2.5% or ₱25.0 million primarily from investments made in capital assets, exploration and financial asset at FVPL.

Trade and other receivables decreased from ₱782.5 million in 2022 to ₱729.0 million in 2023, mainly due to collection of receivables from nickel customers.

Increase in Financial Assets at Fair Value through Profit and Loss (FVPL) pertains to additional placement for UITF and increase in the Net Asset Value per unit by the group's existing investments.

Increase in inventories pertain to the nickel ore production in the on-going mining operation of nickel project in Sta. Cruz, Zambales.

Other current assets increased to ₱387.4 million from ₱352.4 million mainly due to additional input tax from various purchases of goods and services.

Increase in deferred mine exploration expenses pertain to drilling expenses incurred in the Pantingan gold prospect in Bataan.

Increase in other noncurrent assets is attributed to the additional Mine Rehabilitation Fund in compliance with the DENR/MGB requirements and advances to contractors.

Liabilities

Total consolidated liabilities as of June 30, 2023, decreased to ₱1.9 billion from ₱2.1 billion as of December 31, 2022. The decrease was due to the following:

Trade and other payables decreased by 15% to ₱470.4 million from ₱555.7 million in 2022 due to payment of various payables to suppliers and contractors.

Decline in income tax payable is attributed to payment of 2022 and first quarter of 2023 income tax liability of ₱236.3 million.

Decrease in current and noncurrent portion of lease liability is due to payment of various rentals/leases.

Other noncurrent liabilities decreased by 22% to ₱185.1 million from ₱237.8 million in 2022 mainly due to payment of nickel ore advances from nickel off-taker.

Equity

Retained earnings increased by 8% mainly from the net income generated this semester.

Equity increased from ₱7.8 billion in 2022 to ₱8.2 billion mainly from the net income generated during the first semester of this year amounting to ₱438.6 million.

Consolidated Cash Flows

The net cash used for the second quarter amounted to ₱277.5 million, while the net cash provided by operating activities for the first semester this year amounted to ₱224.7 million. On the other hand, the net cash provided by operating activities amounted to ₱239.4 million and ₱935.5 million for the same periods in 2022. The decline was mainly from the payments of trade payables and income tax liabilities.

For the first semester this year, the Company invested ₱25.0 million in property, plant, and equipment, spent ₱22.9 million in exploration activities and ₱21.9 million for Final Mine Rehabilitation Fund of the Acupan Gold Operation and other assets. The Company placed ₱126.5 million in UITF for the first half this year.

Net cash used in financing activities amounted to ₱13.0 million in the second quarter and ₱53.3 million for the first semester this year. Cash was used to pay outstanding liabilities with nickel off-taker.

FIRST SEMESTER 2022 Vs YEAR ENDED DECEMBER 31, 2021

Comparative figures for June 30, 2022 and December 31, 2021

Amount in Millions

	2022	2021	Change	% of Change
Assets				
Current Assets				
Cash and cash equivalent	1,049.4	603.2	446.20	74.0%
Trade and other receivables	478.8	515.0	(36.2)	(7.0%)
Inventories	147.0	142.1	4.9	3.4%
Financial assets at fair value through profit or loss	1,145.6	675.0	470.6	69.7%
Other current assets	502.7	481.7	21.0	4.4%
Total Current Assets	3,323.5	2,416.9	906.5	37.5%
Noncurrent Assets				
Property, plant and equipment – at revalued amount	2,525.0	2,551.8	(26.8)	(1.1%)

Property, plant and equipment – at cost	0.9	0.9	0	0.0%
Deferred mine exploration costs	469.1	455.4	13.7	3.0%
Investment properties	2,910.7	2,910.7	0	0.0%
Deferred tax assets – net	11.6	11.6	0	0.0%
Other noncurrent assets	319.3	402.0	(82.7)	(20.6%)
Total Noncurrent Assets	6,240.5	6,332.4	(91.9)	(1.5%)
Total Assets	9,560.1	8,749.3	810.7	9.3%
Liabilities				
Current Liabilities				
Loans payable	337.0	337.0	0	0.0%
Trade and other payables	513.0	669.4	(156.4)	(23.4%)
Current portion of liability for mine rehabilitation	6.6	6.6	0	0.0%
Current portion of lease liability	6.0	9.2	(3.2)	(35.2%)
Income tax payable	190.5	137.8	52.7	38.2%
Total current liabilities	1,053.1	1,160.0	(106.9)	(9.2%)
Noncurrent liabilities				
Deferred income tax liabilities – net	749.7	748.6	1.1	0.1%
Liability for mine rehabilitation	54.2	54.2	0.0	0.0%
Pension liability	68.4	73.3	(4.9)	(6.8%)
Noncurrent portion of lease liability	11.9	11.9	0	0.0%
Other noncurrent liabilities	235.9	291.8	(55.9)	(19.2%)
Total Noncurrent Liabilities	1,120.0	1,179.8	(59.8)	(5.1%)
Total Liabilities	2,173.1	2,339.8	(166.69)	(7.1%)
Equity				
Capital Stock	624.0	624.0	0	0.0%
Capital Surplus	409.9	409.9	0	0.0%
Cost of Share-Based payment	9.2	9.2	0	0.0%
Retained earnings	1,355.9	1,352.6	3.3	0.2%
Other components of equity	4,996.0	4,021.9	974.1	24.2%
	7,395.0	6,417.6	977.4	15.2%
Treasury shares	(8.1)	(8.1)	0	0.0%
Total Equity	7,387.0	6,409.5	977.4	15.2%
Total Liabilities and Equity	9,560.1	8,749.3	810.8	9.3%

Assets

The Company ended the second quarter of 2022 with consolidated total assets of ₱9.56 billion, ₱810.8 million higher than the ₱8.75 billion consolidated assets as of December 31, 2021. The growth is the net effect of the following:

Cash and cash equivalent increased by ₱446.2 million to ₱1,049.4 million primarily from cash provided by operations net of investments in UITF and payment of various liabilities.

Trade and other receivables decreased to ₱478.8 million from ₱515.0 million in 2021, mainly due to the efficient collection of receivables from nickel customers.

Increased in Financial Assets at Fair Value through Profit and Loss (FVPL) pertains to additional placement in UITF.

The increase in other current assets to ₱502.7 million from ₱481.7 million in 2021 was mainly due to additional input taxes from the purchase of goods and services.

Decrease in property, plant and equipment refers to the depreciation partially offset by additions during the first semester.

The increase in deferred exploration costs refers to exploration of the Company's Pantingan Project

Decrease in other noncurrent assets to ₱319.3 million from ₱402.0 million was mainly due to the collection of nontrade receivables.

Liabilities

Total consolidated liabilities as of June 30, 2022, decreased to ₱2.2 billion from ₱2.3 billion as of December 31, 2021. The decrease was due to the following:

Trade and other payables decreased by 23% to ₱513.0 million from ₱669.4 million in 2021 due to payment of various trade payables to suppliers and contractors to ensure uninterrupted operations.

Decline in the current portion of lease liability is due to regular payments of various rentals/leases.

Income tax payable amounted to ₱190.5 million, 38% higher than last year of ₱137.8 million. The income tax liability pertains to the regular income tax liability of Benguet Corporation, BRMC, AFC and KPLMSC.

Pension liability was reduced to ₱68.4 million from ₱73.4 million due to the additional funding in the Company's pension fund.

The increase in deferred tax liability pertains to an increase in the foreign currency translation difference.

Other noncurrent liabilities were reduced by 19% to ₱235.9 million from ₱291.8 million mainly on account of the payments for nickel off-take advances to Bright Mining and LS Networks Co., Ltd.

Equity

Retained earnings for the first half of 2022 rose to ₱4,995.9 million, 24% higher than ₱4,021.8 million in 2021. The increase was due to the favorable result of operation.

Stockholders Equity for the first half of year 2022 amounted to ₱7,387.0 million, higher than ₱6,409.5 million in 2021. The increase is due to the net income generated during the first semester of 2022 amounting to ₱974.1 million.

The increase in other components of equity only refers to the foreign currency translation difference.

Consolidated Cash Flow

The net cash provided by operating activities for the second quarter and first semester of 2022 amounted to ₱239.4 million and ₱935.5 million, respectively lower compared to ₱331.7 million and ₱959.9 million for the same periods in 2021.

The Company invested ₱14.4 million and ₱23.6 million in property, plant and equipment for the second quarter and first semester of 2022. ₱6.9 million and ₱13.7 million were spent for exploration activities and Final Mine Rehabilitation Fund of the Acupan Gold Operation for the second quarter and first semester of 2022, respectively. The Company placed ₱80.2 million and ₱470.6 million in UITF for the second quarter and first half of 2022.

Net cash used in financing activities amounted to ₱42.8 million in the second quarter and ₱64.1 million for the first semester of 2022. Cash was used to pay outstanding liabilities with LS Networks Co. Ltd. and Bright Mining, funding the pension fund and payment of lease liabilities.

B. OPERATIONAL REVIEW

Mining

Acupan Gold Project (AGP)

AGP generated revenue of ₱119.8 million for the second quarter and ₱288.4 million for the first half this year, lower against ₱246.5 million and ₱496.1 million for the same periods in 2022. The decrease in revenue is mainly due to lower gold output, lower ore milled and lower mill grade as development and rehabilitation of the underground mine progressed. Gold sold during the quarter reduced by 57% from 2,493.16 ounces in second quarter of 2022 to 1,074.08 ounces. For the first half of the year, gold sold decreased by 47% to 2,691.39 ounces from 5,099.82 ounces for the same period in 2022.

AGP milled 6,700 DMT and 14,841 DMT for the second quarter and six months period this year as against 13,219 DMT and 26,403 DMT for the same periods in 2022. Average mill grade for the second quarter and first semester of 2023 was at 5.91 grams per ton and 6.59 grams per ton, respectively. In comparison, average mill grade for the second quarter and first half of 2022 was at 7.06 grams per ton and 7.34 grams per ton for the same periods in 2022. The decline in ore milled is attributed to the new areas initially developed but failed to produce the expected ore grades.

This resulted to a pre-tax loss of ₱18.6 million for the second quarter and ₱4.9 million for the first semester this year. In contrast, pre-tax income for the second quarter of 2022 and six months period last year amounted to ₱10.8 million and ₱41.4 million, respectively.

Management is implementing cost savings and control measure and studying scaledown of operation while looking for a new area to develop that will yield higher grade and volume of gold.

Sta. Cruz Nickel Project (SCNP)

SCNP under its wholly owned subsidiary Benguetcorp Resources Mineral Corporation (BRMC), reported lower revenue in the second quarter and first semester of 2023 compared to the same periods in 2022. Revenue for the second quarter amounted to ₱188.1 million versus ₱1.2 billion for the same period in 2022. For the first half this year, revenue decreased by 43% to ₱1.2 billion from ₱2.2 billion for the same period in 2022. The decrease was due to lower volume of nickel ore shipped coupled with decline in nickel market prices. The decline in nickel ore prices coupled with lower demand of nickel ore during the quarter was due to growth in supply of nickel from Indonesia and sluggish demand from China. During the second quarter, BRMC sold 2 boatloads of nickel ore to China aggregating 109,080 tons ranging from 1.2% to 1.3% as against 8 boatloads or 427,193 tons ranging from 1.2% to 1.4% for the same quarter last year. For the first semester this year, 11 boatloads aggregating 586,294 tons were sold at an average price of US\$38.31/ton. Last year, BRMC sold 16 boatloads aggregating 851,208 tons at an average price of US\$47.80. This resulted to net income of ₱19.8 million in the second quarter and ₱316.4 million for the first semester of 2023, lower compared to the ₱459.9 million and ₱770.6 million for the same periods in 2022.

Irisan Lime Project

The Company's ILP revenue for the second quarter this year amounted to ₱22.9 million, lower than the ₱26.5 million revenue for the same period last year. For the six-month period, revenue slightly

increased to ₱47.9 million from ₱44.5 million for the same period in 2022. Increase in revenue is attributable to higher lime price from ₱13,391 per metric ton in 2022 to ₱15,747 per metric ton this year. This resulted to a pre-tax income of ₱6.3 million and ₱12.8 million for the second quarter and first semester respectively, this year versus pre-tax income of ₱2.9 million and ₱6.0 million for the same respective periods in 2022.

Benguet Antamok Gold Operation (BAGO)

The Antamok Final Mine Rehabilitation and Decommissioning Plan (FMRDP) underwent review and evaluation of the MGB-CAR and the Contingent Liability and Rehabilitation Fund Steering Committee (CLRFSC). The document was subsequently revised and updated as per recommendation of the CLRFSC. The implementation of Phase 1 activities are ongoing under the Annual Care and Maintenance Programs wherein ₱0.2 million was already spent for this quarter. Of the total FMRDP allocated amount of ₱43 million, BAGO already spent an approximate ₱13 million on the implementation of various rehabilitation measures i.e., Liang Emergency Spillway Channel, Reforestation activities, water quality monitoring and other environment related activities indicated on the submitted FMRDP. The FMRDP provides the Decommissioning and Rehabilitation Plans and established the funds that will be utilized for the implementation of measures to prevent and mitigate any identified risks and impacts brought by project operations and result in the development of sustainable final land use of said mined areas.

EXPLORATION, RESEARCH AND DEVELOPMENT

Pantingan Project

The Pantingan property remains to be a viable prospect for epithermal gold mineralization and aggregates. On the gold prospect, continuation of Phase 2 drilling program is being undertaken. Six (6) more drill holes were completed during this period to further verify the significant mineralized structures that were previously mapped and identified in the southern-half section of the mineral concession. The latest accomplishments bring now to a total of twenty-two (22) boreholes since the drilling program was started. Other works performed are the creation of more access roads and drill pads, hole-to-hole transfer and mobilization of the drill-rigs, coring operation, manual hauling of core-boxes, quick structural logging of cores, cutting of cores into halves and sampling.

On the aggregate prospect, the Company continues to apply for permits including road-right-of-way in the 40-hectares Quarry Permit Area (QPA) outside the MPSA. The large-scale quarry in PAB-1 & 2 still needs drilling for Declaration of Mining Project Feasibility (DMPF). The MGB has issued area clearance in the QPA and the Company is working on LGU consent, tree inventory, NCIP Certification and ECC process.

Zamboanga Gold Prospect

The Company's Exploration Permit Application (EPA) is under evaluation by the Mines and Geosciences Bureau – Region IX after having submitted the additional documentary requirements. Once the EPA is approved, the Company will start exploration activities including drilling in San Fernandino vein. Following execution of the Memorandum of Agreement (MOA) with the Indigenous People, the National Commission on Indigenous People (NCIP) En Banc has reviewed the MOA and favorably endorsed the issuance of Certificate of Precondition (FPIC). The Company has an operating agreement with Orelina Mining Corporation to explore and operate the property situated about 150 kilometers from Zamboanga City.

Surigao Coal Project

The Company's application for a new Coal Operating Contract (COC) is under evaluation by the Department of Energy (DOE). The property consists of 12-coal blocks measuring 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). Market prospects for local coal with low BTU remains to be a concern, as well as DOE's preference for clean energy and global shift to net-zero emissions.

SUBSIDIARIES AND AFFILIATES

Logistics

Arrow Freight and Construction Corporation (AFCC)

AFCC, the logistics provider of the Company generated revenue of ₱17.2 million for the second quarter and ₱62.1 million for the first half this year, compared to the revenues of ₱23.5 million and ₱57.4 million for the same periods in 2022. The revenue this quarter was sourced from the management fee earned in providing and supervising needed earthmoving equipment and dump trucks for BRMC's various mining activities, as well as ore hauling using its own dump trucks and ore loading using its own backhoes. Net income for the second quarter and first semester this year amounted to ₱5.9 million and ₱28.9 million, respectively both lower versus net income of ₱14.1 million and ₱33.9 million for the same respective periods in 2022 due to lower volume of nickel ores hauled to port this year.

AFCC has current operational hauling fleet of 10 units dump truck, 2 backhoes, oil tanker and water truck. AFC plans to acquire more earth moving equipment, dump trucks and 10-wheeler trucks to expand its logistics services and engage in construction business.

Keystone Port Logistics Management and Services Corporation (KPLMSC)

KPLMSC, the port and barging services provider of the Company reported revenue of ₱8.1 million for the second quarter and ₱43.5 million for the first half this year, lower as compared to the revenue of ₱23.9 million and ₱52.5 million for the same respective periods last year. The decrease is on account of the lower tonnage of nickel ore exports handled from 851,208 tons in the first semester of 2022 to 586,294 tons for the same period in 2023. Net income for the second quarter and first semester of 2023 amounted to ₱0.9 million and ₱20.2 million, respectively, lower compared to the net income of ₱16.4 million and ₱32.1 million for the same respective periods in 2022.

Port repair is almost done and expected to be completed before the end of the third quarter this year.

Real Estate

BMC Forestry Corporation (BFC)

BFC the real estate arm of the Company continues to develop and sell subdivision lots in its various real estate project in Rosario, La Union, the Woodspark Subdivision. BFC reported a pre-tax income of ₱0.4 million for the second quarter and ₱2.7 million for the first half of this year, compared to pre-tax income of ₱2.1 million and ₱2.5 million for the same periods in 2022.

BFC will continue to manage the lime kiln operation of Irisan Lime Project and sell its remaining 3 lots with an aggregate area of 1,043 square meters valued at ₱5.29 million. BFC plans to acquire new property in La Union and nearby areas of Pangasinan for Phase 2 development of Woodspark Subdivision.

Kelly Ecozone Project (KEP)

Social preparation (collaboration and coordination) with the LGU's and the project-affected-people (PAP) is continuing work in progress. Trial planting of fruit trees such as durian, coffee and mangosteen in KEP area as a component for agroforestry was implemented during the period.

Healthcare

Benguetcorp Laboratories, Inc. (BCLI)

BCLI posted revenue of ₱12.8 million for the second quarter and ₱26.6 million for the first half of this year, lower than the ₱14.8 million and ₱27.6 million for the same periods last year. BCLI recorded a net income of ₱1.8 million for the second quarter this year, lower against ₱5.2 million net income for the same quarter last year. Net income for the first half of 2023 amounted to ₱3.2 million, lower compared to net income of ₱6.6 million for the same period of 2022, due to the expiration of contract with Texas Instruments for their Baguio and Pampanga branches.

BCLI two -year contract with MOOG to provide full clinic management which ended this April 30, 2023 was automatically renewed for another two years or until April 30, 2025. BCLI continues to serve its core customers, HMO (Health Maintenance Organization), corporate clients in Baguio City, and government agencies and will implement more aggressive marketing approach for increased visibility and market share, using billboard advertisements in strategic areas, digital ads, as well as using radio and social media.

Benguetcorp International Limited

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 (BUSIA) renewed its claims over 217 hectares of mineral prospects 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.

C. ENVIRONMENTAL PROTECTION AND COMMUNITY RELATIONS

Environmental protection remains a cornerstone of the Company's operations, evident in the various programs and projects it implements under Annual Environmental Protection and Enhancement Programs (AEPEP) and Social Development and Management Programs (SDMP).

For the quarter in review, the Company spent a total of ₱12.3 million which represents a significant proportion of the allocated budget. The Company is also proactive in raising awareness and promoting environmental management practices within its concerned communities. These include Progressive Rehabilitation, Reforestation within and outside the tenement, River Rehabilitation, Biodiversity Enhancement and Conservation, Mining Forest Program, National Greening Program outside the tenement, Temporary Revegetation Program, Bamboo plantation, improvement of canals, settling pond outlets, tunnels – inlets and outlets, desilting of settling ponds, silt traps, adjacent water bodies among others.

On the other hand, the Company ensures to perform and deliver noble works through strengthening its SDMP with the support of the stakeholders in the host communities. Such programs include educational support by sponsoring students, providing school materials and supplies, assistance to Child Development Center, provide assistance in different livelihood associations, medicines and medical equipment, various infrastructure programs and support for various activities concerning Information Education Communication Programs and Development of Mining Technology and Geosciences. Total expenditures to implement these activities stood at ₱5.6 million.

D. KEY PERFORMANCE INDICATORS

The Company's management intends to analyze future results of operations through the following

1. **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 June 30, 2023 the Company's current ratio is 4:32:1 versus 3:16:1 for the same period in 2022.
2. **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 revenues. The market price of gold used by the Bangko Sentral ng Pilipinas is based on world spot market prices provided by the London Metal Exchange. The price of gold is the key indicator in determining the Company's revenue level. The average market prices for gold sold were at US\$ 1,998.89 per ounce this second quarter of 2023, as compared to average price of US\$ 1,888.30 per ounce for the same period in 2022. Nickel ores were sold at an average price of US\$29.48/ton this second quarter of 2023 against US\$52.01 for the same period in 2022.
3. **Tons Mill and Ore Grade**
Tons milled and ore grade are key determinant of gold sales volume. The higher tons milled and ore grade are directly proportional to revenue level. For this second quarter of 2023, tons milled were 6,700 tons of ore with average grade of 5.91 grams per ton gold, as compared to 13,219 tons of ore with average grade of 5.87 grams per ton gold for the same period in 2022. Gold sold were 1,074.08 ounces this second quarter versus 2,493.16 ounces for the same period in 2022. Nickel ores produced depend on customer specification or market demand which price is also dependent on the nickel content classified as high grade and low-grade nickel ore. Nickel ores sold this second quarter of 2023 were 109,080 tons compared to 427,193 tons in the same period in 2022.
4. **Foreign Exchange Rate**
The Company's sales proceeds are denominated 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 June 30, 2023, the peso to dollar exchange rate was at ₱55.20, as compared to ₱54.975 for the same period in 2022. The volatility of the foreign currency exchange rates will continue to affect the Company's operations in the foreseeable future.
5. **Earnings Per Share**
The Company's earnings per share ultimately reflect the Company's financial and operational growth as a result of its performance, cost management, productivity and will provide investors comparable benchmarks relative to similar companies. The reported Company earnings per share this first half is ₱0.70 as compared to ₱1.56 earnings per share in the same period in 2022.
6. The key performance indicator used for the Company's subsidiaries is Net Income, which is discussed in the Subsidiaries and Affiliate portion of the Operational Review of this report.

E. KNOWN TRENDS, EVENTS OR UNCERTAINTIES

The Company does not foresee any cash flow or liquidity problems over the next twelve (12) months. BRMC continues to market saleable nickel ores inventory from old and newly mined stockpile areas, ILP continues to have steady market for quicklime products, while AGP is expected to improve gold production due to coordinated effort between departments in the enhancement of milling processes,

methods and equipment. The Company and its subsidiaries continue to claim available tax refunds from the Bureau of Internal Revenue.

Within the next twelve months, the Company anticipates no change in the number of employees 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 at midstream, the present economic condition affected by the 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 although, the Company could be contingently liable for lawsuits and claims arising from ordinary course of business which are 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 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 of 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:

- Significant elements of income or loss that did not arise from the Company's continuing operations;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
- Seasonal aspects that had a material impact on the Company's results of operations; and
- Material changes in the financial statements of the Company.

BENGUET CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2023 AND DECEMBER 31, 2022
(Amounts in Thousands)

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P977,810	P1,002,750
Trade and other receivables	728,962	782,505
Inventories	230,562	180,572
Financial assets at fair value through profit or loss (FVPL)	1,271,305	1,114,611
Other current assets	387,430	352,430
Total Current Assets	3,596,069	3,432,868
Noncurrent Assets		
Property, plant and equipment	2,503,644	2,509,905
Deferred mine exploration costs	515,394	492,505
Investment property	2,991,984	2,991,984
Deferred tax assets - net	9,918	9,918
Other noncurrent assets	493,755	471,896
Total Noncurrent Assets	6,514,695	6,476,208
TOTAL ASSETS	P10,110,764	P9,909,076
LIABILITIES AND EQUITY		
Current Liabilities		
Loans payable	P337,035	P337,035
Trade and other payables	470,416	555,712
Current portion of liability for mine rehabilitation	10,488	10,488
Current portion of lease liability	6,110	6,309
Income tax payable	8,180	105,859
Total Current Liabilities	832,229	1,015,403
Noncurrent Liabilities		
Deferred income tax liabilities - net	769,050	769,212
Liability for mine rehabilitation	48,568	48,568
Pension liability	56,015	56,015
Noncurrent portion of lease liability	5,151	5,798
Other noncurrent liabilities	185,070	237,814
Total Noncurrent Liabilities	1,063,854	1,117,407
Total Liabilities	1,896,083	2,132,810
Equity		
Capital stock	624,211	624,015
Capital surplus	415,189	415,110
Cost of share-based payment	6,275	6,275
Other components of equity	1,384,969	1,385,454
Retained earnings	5,792,053	5,353,428
	8,222,697	7,784,282
Cost of 116,023 shares held in treasury, P69 per share	(8,016)	(8,016)
Total Equity	8,214,681	7,776,266
TOTAL LIABILITIES AND EQUITY	P10,110,764	P9,909,076

BENGUET CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED
STATEMENTS OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(With Comparative Figures for the six months ended June 30, 2022)
(Amounts in Thousands)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30		JUNE 30	
	2023	2022	2023	2022
REVENUES	₱344,031	₱1,468,308	₱1,603,158	₱2,724,795
COSTS AND OPERATING EXPENSES				
Costs of mine products sold	135,527	333,120	342,424	600,719
Costs of merchandise sold and services	17,826	22,452	45,187	41,933
Selling and general	177,203	277,642	544,289	594,759
Taxes on revenue	21,669	115,217	122,332	211,349
	352,225	748,431	1,054,232	1,448,760
INCOME (LOSS) FROM OPERATIONS	(8,194)	719,877	548,819	1,276,035
INTEREST EXPENSE	4	406	293	1,368
OTHER INCOME (EXPENSE)				
Interest income	1,168	466	1,901	840
Foreign exchange gain	17,461	17,276	3,449	19,859
Miscellaneous – net	22,713	(1,011)	23,246	950
	41,342	16,731	28,596	21,649
INCOME BEFORE INCOME TAX	33,144	736,202	577,229	1,296,316
PROVISION FOR INCOME TAX	3,121	182,773	138,604	322,210
NET INCOME	₱30,023	₱553,429	₱438,625	₱974,106
BASIC EARNINGS PER SHARE	₱0.05	₱0.89	₱0.70	₱1.56
DILUTED EARNINGS PER SHARE	₱0.05	₱0.88	₱0.70	₱1.55

BENGUET CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(With Comparative Figures for the six months ended June 30, 2022)
(Amounts in Thousands)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30		JUNE 30	
	2023	2022	2023	2022
NET INCOME (LOSS)	₱30,023	₱553,429	₱438,625	₱974,106
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Items to be reclassified to profit or loss in subsequent periods:</i>				
Translation adjustment on foreign subsidiaries	725	2,945	(486)	3,376
OTHER COMPREHENSIVE INCOME (LOSS)	725	2,945	(486)	3,376
TOTAL COMPREHENSIVE INCOME (LOSS)	₱30,748	₱556,374	₱438,139	₱977,482

BENGUET CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED
STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED JUNE 30, 2023
(With Comparative Figures for the six months ended June 30, 2022)
(Amounts in Thousands)

	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)	December 31, 2022 (Audited)
CAPITAL STOCK	₱624,211	₱624,015	₱624,015
CAPITAL SURPLUS	415,189	409,929	415,110
REVALUATION INCREMENT	1,325,985	1,305,820	1,325,985
CUMULATIVE TRANSLATION ADJUSTMENT			
Balance at beginning of period	41,400	36,208	36,208
Translation adjustment	(486)	3,376	5,192
Balance at end of period	40,914	39,584	41,400
COST OF SHARE-BASED PAYMENT			
Balance at beginning of period	6,275	9,198	9,198
Stock options vested	–	–	2,258
Cancellation of stock options	–	–	(5,181)
Balance at end of period	6,275	9,198	6,275
UNREALIZED GAIN ON FINANCIAL ASSETS AT FVOCI			
Balance at beginning of period	328	(275)	(275)
Other comprehensive income (loss)	–	–	603
Balance at end of period	328	(275)	328
REMEASUREMENT LOSS ON PENSION LIABILITY	17,633	10,673	17,633
UNREALIZED GAIN ON INTANGIBLE ASSET	108	135	108
RETAINED EARNINGS			
Balance at beginning of period	5,353,428	4,021,846	4,021,846
Transfer of revaluation increment to retained earnings from the sale of land	–	–	535
Net income for the period	438,625	974,106	1,331,047
Balance at end of period	5,792,053	4,995,952	5,353,428
TREASURY SHARES	(8,016)	(8,016)	(8,016)
TOTAL EQUITY	₱8,214,681	₱7,387,015	₱7,776,266

BENGUET CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(With Comparative Figures for the six months ended June 30, 2022)
(Amounts in Thousands)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30		JUNE 30	
	2023	2022	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	₱33,144	₱736,202	₱577,229	₱1,296,316
Adjustments for:				
Depreciation, depletion and amortization	9,712	17,878	31,262	50,378
Unrealized foreign exchange loss (gain)	966	1,908	(647)	4,501
Fair value gain on financial assets at FVPL	(30,157)	–	(30,157)	–
Decrease (increase) in:				
Trade and other receivables	18,652	(55,751)	53,543	36,150
Inventories	(51,280)	72,333	(49,990)	(4,911)
Prepaid expenses and other current assets	45,961	(276,239)	(35,000)	(290,496)
Decrease in trade and other payables	(68,219)	(256,942)	(85,296)	(156,420)
Payment of income tax	(236,283)	–	(236,283)	–
Net cash from (used in) operating activities	(277,504)	239,389	224,661	935,518
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in:				
Property, plant and equipment	(12,724)	(14,391)	(25,001)	(23,557)
Deferred exploration costs	(20,470)	(6,918)	(22,889)	(13,735)
Other assets	(6,582)	87,603	(21,859)	82,745
Financial assets at FVPL	(114,892)	(80,216)	(126,537)	(470,649)
Net cash from (used in) investing activities	(154,668)	(13,922)	(196,286)	(425,196)
CASH FLOWS FROM FINANCING ACTIVITIES				
Exercise of stock options	–	–	275	–
Increase (decrease) in:				
Lease liabilities	621	(1,670)	(846)	(3,222)
Pension liability	–	–	–	(5,000)
Other noncurrent liabilities	(13,613)	(41,110)	(52,744)	(55,909)
Net cash used in financing activities	(12,992)	(42,780)	(53,315)	(64,131)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(445,164)	182,687	(24,940)	446,191
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,422,974	866,752	1,002,750	603,248
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱977,810	₱1,049,439	₱977,810	₱1,049,439

BENGUET CORPORATION AND SUBSIDIARIES**EARNINGS PER SHARE COMPUTATION****FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022****(Amounts in Thousands, Except for the Number of Shares)**

	June 30	
	2023	2022
Net income	₱438,625	₱974,106

Number of shares for computation of:

	June 30	
	2023	2022
<u>Basic earnings per share</u>		
Weighted average common shares issued	623,368,323	623,132,094
Less treasury stock	348,069	348,069
Weighted average common shares outstanding	623,020,254	622,784,025
<u>Diluted earnings per share</u>		
Weighted average common shares issued	623,368,323	623,132,094
Less treasury stock	348,069	348,069
	623,020,254	622,784,025
Conversion of preferred stock	2,059,366	2,059,366
Stock options	2,637,086	3,137,502
	627,716,706	627,980,893
Basic earnings per share	₱0.70	₱1.56
Diluted earnings per share	₱0.70	₱1.55

BENGUET CORPORATION AND SUBSIDIARIES**FINANCIAL SOUNDNESS INDICATORS****FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2021**

	June 30	
	2023	2022
Profitability Ratio		
Return on asset	0.04:1	0.11:1
Return on equity	0.05:1	0.13:1
Gross profit margin	0.76:1	0.76:1
Operating profit margin	0.34:1	0.47:1
Net profit margin	0.27:1	0.36:1
Liquidity and Solvency Ratio		
Current ratio	4.32:1	3.16:1
Quick ratio	2.05:1	1.45:1
Solvency ratio	5.33:1	4.40:1
Financial Leverage Ratio		
Asset to equity ratio	1.23:1	1.29:1
Debt ratio	0.19:1	0.23:1
Debt to equity ratio	0.23:1	0.29:1
Interest coverage ratio	1,969.06:1	-948.60:1

BENGUET CORPORATION AND SUBSIDIARIES**AGING OF RECEIVABLES**

AS OF JUNE 30, 2023

(Amounts in Thousands)

TYPE OF RECEIVABLES	LESS THAN 30 DAYS	30 TO 60 DAYS	LESS THAN ONE YEAR	ONE TO TWO YEARS	THREE TO FIVE YEARS	MORE THAN FIVE YEARS	TOTAL
Trade receivables	₱17,812	₱6,204	₱10,296	₱2,479	₱5,498	₱30,665	₱72,954
Allowance for doubtful accounts	–	–	–	–	(1,360)	(30,665)	(32,025)
Trade receivables – net	17,812	6,204	10,296	2,479	4,138	–	40,929
Nontrade receivables:							
Officers and employees	3,220	1,528	1,770	14,195	62,230	104,521	187,464
Others	19,254	44,761	261,087	7,659	3,677	289,304	625,742
Total	22,474	46,289	262,857	21,854	65,907	393,825	813,206
Allowance for doubtful accounts	–	–	–	–	–	(125,173)	(125,173)
Nontrade receivables - net	22,474	46,289	262,857	21,854	65,907	268,652	688,033
Trade and other receivables - net	₱40,286	₱52,493	₱273,153	₱24,333	₱70,045	₱268,652	₱728,962

BENGUET CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2023 AND 2022

1. Corporate Information

Benguet Corporation (the Ultimate Parent Company) was incorporated on August 12, 1903 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.

2. Summary of Significant Accounting Policies

Basis of Preparation

The unaudited interim condensed consolidated financial statements 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 fair value through other comprehensive income (FVOCI), financial assets at fair value through profit or loss (FVPL), intangible asset under "other noncurrent assets" and investment properties, which have been measured at fair value. The unaudited interim condensed consolidated financial statements are presented in Philippine peso, the Company's functional currency under Philippine Financial Reporting Standards (PFRS) and as adopted by the Philippine SEC. All amounts are rounded to the nearest thousands (₱000), except when otherwise indicated.

Statement of Compliance

The unaudited interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. Accordingly, the unaudited interim condensed consolidated financial statements of Benguet Corporation (the Company) and its subsidiaries (the Group) do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2022.

Changes in Accounting Standards and Interpretation

Effective beginning on or after January 1, 2023

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Adoption of these pronouncements did not have any significant impact on the Group's financial position or performance.

Financial Instruments

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

Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI, and 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, *Revenue from Contracts with Customers*.

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.

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

Subsequent Measurement

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 profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include cash and cash equivalents, trade receivables, receivables from lessees of bunkhouses, advances to contractors under "other current assets" and loans receivable under "other noncurrent assets", respectively.

- *Financial assets at FVPL*

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

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

The Group's financial assets at FVPL includes its investments in unit investment trust fund.

- *Financial assets designated at FVOCI (equity instruments)*

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

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of 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 elected to classify irrevocably its quoted shares under this category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

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

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

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

Impairment

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 and short-term investments, 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 from (i.e. Standard and Poor's (S&P), Moody's and Fitch) 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, advances to contractors and deposits, 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

Initial Recognition and Measurement

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

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

The Group's financial liabilities include trade payables and accrued expenses under "trade and other payables", loans payable, lease liabilities, and equity of claim owners on contract operations under "other noncurrent liabilities".

Subsequent Measurement - Financial liabilities at amortised 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 recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are integral part of the EIR. The EIR amortization is included as finance costs in the unaudited interim condensed consolidated statement of income.

This category generally applies to the Group's loans payable lease liabilities and non-interest bearing financial liabilities.

Derecognition

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

Offsetting of Financial Instruments

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

Fair Value Measurement

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.

3. Summary of Significant Accounting Judgments, Estimates and Assumptions

The preparation of the unaudited interim condensed consolidated financial statements in accordance with PFRS requires the Group to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. 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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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 interim condensed consolidated financial statements.

Determining Functional Currency

The Parent Company, based on the relevant economic substance of the underlying circumstances, has determined the functional currency of each entity, except for foreign subsidiaries, under the Group to be the Philippine peso. It is the currency of the primary economic environment in which the Group primarily operates.

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.

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 process.

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.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at reporting date, which 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 interim condensed 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, Advances to Contractors under "Other Current Assets" and Loan Receivables under "Other Noncurrent Assets"

The Group uses the simplified approach in the assessment of the ECL for its trade receivables and general approach model for its other receivables, advances to contractors under "Other current assets" and loan receivables 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 and other receivables, advances to contractors under "Other current assets" and loan receivables under "Other noncurrent assets" amounted to ₱728.96 million and ₱782.51 million as at June 30, 2023 and December 31, 2022, respectively.

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 June 30, 2023 and December 31, 2022, carrying values of mine and mining properties amounted to ₱634.68 million and ₱646.06 million, respectively. As at June 30, 2023, and December 31, 2022, carrying values of liability for mine rehabilitation amounted to ₱59.06 million.

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

As at June 30, 2023 and December 31, 2022, deferred mine exploration costs amounted to ₱515.39 million and ₱492.51 million, respectively.

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, discount rates and foreign currency exchange rates, which can materially affect the consolidated financial statements. Commodity prices and foreign exchange rates are based on forecasts of various financial institutions while the discount rate is based on industry weighted average cost of capital.

An impairment loss would be recognized whenever evidence exists that the carrying value is not recoverable. For purposes of assessing impairment, property, plant and equipment are grouped at the lowest levels for which there are separately identifiable cash flows. An impairment loss is recognized and charged to earnings if the discounted expected future cash flows are less than the carrying amount. Fair value is estimated by discounting the expected future cash flows using a discount factor that reflects the market rate for a term consistent with the period of expected cash flows.

As at June 30, 2023 and December 31, 2022, property, plant and equipment (at cost) amounted to ₱773.94 million and ₱780.20 million, respectively.

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. Increase in the NRV of inventories will increase cost of inventories but only to the extent of their original acquisition costs. As at June 30, 2023 and December 31, 2022, the carrying value of inventories amounted to ₱230.56 million and ₱180.57 million, respectively.

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 ₱682.46 million and ₱612.52 million as at June 30, 2023 and December 31, 2022, respectively.

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 the consolidated statements of 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 June 30, 2023 and December 31, 2022, the appraised value of land and artworks, and investment properties amounted to ₱4,721.69 million.

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 June 30, 2023 and December 31, 2022, the carrying amount of mine and mining properties amounted to ₱568.80 million and ₱580.18 million, respectively. Carrying amount of mine rehabilitation asset amounted to ₱41.96 million as at June 30, 2023 and December 31, 2022.

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 ₱59.06 million as at June 30, 2023 and December 31, 2022.

Estimating Cost of Share-Based Payment

The Parent Company's Nonqualified Stock Option Plan grants qualified participants the right to purchase common shares of the Parent Company at a grant price. The ESOIP recognizes the services received from the eligible employees and an equivalent adjustment to the equity account over the vesting period. The Parent Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-

based payment transactions are disclosed in the annual consolidated financial statements. While management believes that the estimates and assumptions used are reasonable and appropriate, significant differences in actual experience or significant changes in the estimates and assumptions may materially affect the stock compensation costs charged to operations. Cost of share-based payment amounted to ₱6.28 million as at June 30, 2023 and December 31, 2022.

Estimating Pension Benefits

The cost of defined benefit pension and other post-employment 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.

Net pension liability of the Group amounted to ₱56.02 as at June 30, 2023 and December 31, 2022.

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 ₱79.42 million as at June 30, 2023 and December 31, 2022.

4. Financial Risk Management Objectives and Policies

The Group's principal financial instruments pertain to unsecured bank loans. The main purpose of these financial instruments is to fund the Group's operations. The Group has other financial instruments such as cash and cash equivalents, trade receivables, receivable from lessees of bunkhouses, advances to contractors under "other current assets" 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 June 30, 2023 and December 31, 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 summarizes the maturity profile of the Group's financial liabilities as of June 30, 2023 and December 31, 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 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.

	June 30, 2023				Total
	On demand	0-90 days	91-365 days	More than one year	
<i>Financial assets</i>					
Cash and cash equivalents					
Cash on hand and in banks	₱829,922	₱–	₱–	₱–	₱829,922
Short-term deposits	–	147,888	–	–	147,888
Trade and other receivables	40,286	52,493	273,153	363,030	728,962
FVPL	1,271,305	–	–	–	1,271,305
FVOCI	–	–	–	1,709	1,709
	2,141,513	200,381	273,153	364,739	2,979,786
<i>Financial liabilities</i>					
Loans payable					
	337,035	–	–	–	337,035
Trade and other payables					
Trade	25,421	43,241	220,398	–	289,060
Nontrade*	2,209	–	–	–	2,209
Accrued expenses	–	557	–	–	557
Lease liabilities	–	846	5,264	5,151	11,261
Other noncurrent liabilities					
Equity of claimowner incontract operations	–	–	–	49,136	49,136
	364,665	44,644	225,662	54,287	689,258
Net financial assets	₱1,776,848	₱155,737	₱47,491	₱310,452	₱2,290,528

*Excluding statutory payables

	December 31, 2022				Total
	On demand	0-90 days	91-365 days	More than one year	
<i>Financial assets</i>					
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		521,418	261,087	–	782,505
FVPL	1,114,611	–	–	–	1,114,611
FVOCI	–	–	–	1,709	1,709
	<u>2,063,753</u>	<u>575,026</u>	<u>261,087</u>	<u>1,709</u>	<u>2,901,575</u>
<i>Financial liabilities</i>					
Loans payable	337,035	–	–	–	337,035
Trade and other payables					
Trade	–	332,612	–	–	332,612
Nontrade*	4,038	–	–	–	4,038
Accrued expenses	–	730	58,962	–	59,692
Lease liabilities	–	1,298	3,892	6,811	12,001
Other noncurrent liabilities					
Equity of claimowner incontract operations	–	–	–	49,136	49,136
	<u>341,073</u>	<u>334,640</u>	<u>62,854</u>	<u>55,947</u>	<u>794,514</u>
Net financial assets (liabilities)	₱1,722,680	(₱240,386)	₱198,233	(₱54,238)	₱2,107,061

*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.

	June 30, 2023	December 31, 2022
Cash and cash equivalents		
Cash in banks	₱827,701	₱946,854
Short-term deposits	147,888	53,608
Trade and other receivables	728,962	782,505
	₱1,704,551	₱1,782,967

Impairment of financial assets

The Group has financial assets consisting of cash and cash equivalents, trade receivables, receivables from lessees of bunkhouses, advances to contractors under “other current assets” and loans receivable under “other noncurrent assets” 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, advances to contractors under “other current assets” and loan receivable under “other noncurrent assets”

The Group provided an allowance for ECLs for these financial assets amounted to ₱124.58 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 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:

June 30, 2023

	Current	Past due			Specific	Total
		30 days	60 days	>90 days	Identification	
Expected credit loss rate	2%	5%	9%	13%	100%	
Estimated total gross carrying amount at default	₱17,812	₱1,470	₱4,734	₱20,424	₱28,514	₱72,954
	₱356	₱74	₱426	₱2,655	₱28,514	₱32,025

December 31, 2022

	Current	Past due			Specific	Total
		30 days	60 days	>90 days	Identification	
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 June 30, 2023 and December 31, 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 LIBOR foreign loans, plus a margin of 2.5% for unsecured loans.

<u>June 30, 2023 and December 31, 2022</u>	<u>Change in interest rates (in basis points)</u>	<u>Sensitivity of pretax Income</u>
	+100	(P3,370)
	-100	3,370

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 June 30, 2023 and December 31, 2022 follow:

	<u>June 30, 2023</u>		<u>December 31, 2022</u>	
	<u>US\$</u>	<u>Peso equivalent</u>	<u>US\$</u>	<u>Peso equivalent</u>
<u>Financial Assets</u>				
Cash in banks	10,353	P571,486	10,586	P590,858
Trade receivables under "trade and other receivables"	—	—	527	29,415
<u>Total monetary assets</u>	<u>10,353</u>	<u>P571,486</u>	<u>11,113</u>	<u>P620,273</u>

As at June 30, 2023 and December 31, 2022, the exchange rates of the Philippine peso to the US\$ based on the Bankers Association of the Philippines are ₱55.20 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 June 30, 2023 and December 31, 2022 is as follows:

<u>June 30, 2023</u>	Change in foreign exchange rate	Income before income tax effect
	Strengthens by- 1.80%	₱10,287
	Weaken by -4.80%	(29,776)
<u>December 31, 2022</u>	Change in foreign exchange rate	Income before income tax effect
	Strengthens by- 1.80%	₱11,140
	Weaken by -4.80%	(29,775)

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.

Management believes that its exposure to equity price risk is not material to the consolidated financial statements as a whole; thus, disclosure of equity price risk analysis was deemed unnecessary.

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 and 2022. The Group monitors capital using the parent company financial statements. As at June 30, 2023 and December 31, 2022, the Group has met its capital management objectives.

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

	June 30, 2023	December 31, 2022
Capital stock	₱624,211	₱624,015
Capital surplus	415,189	415,110
Retained earnings	5,792,053	5,353,428
Cost of share-based payment	6,275	6,275
Other components of equity	1,384,969	1,385,454
Treasury shares	(8,016)	(8,016)
	₱8,214,681	₱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 June 30, 2023 and December 31, 2022 are as follows:

	June 30, 2023	December 31, 2022
Total liabilities (a)	₱1,896,083	₱2,132,810
Total equity (b)	8,214,681	7,776,266
Debt-to-equity ratio (a/b)	0.23:1	0.27:1

5. Seasonality and Cyclicity of Interim Operation

There are no significant seasonality or cyclicity in its business operation that would have material effect on the Groups' financial condition or results of operations.

6. Events After End of Reporting Period

There are no significant event after end of reporting period.

ADDITIONAL DISCLOSURE TO FINANCIAL STATEMENTS OF THE COMPANY
(FOR THE SECOND QUARTER ENDED JUNE 30, 2023)

- i.) The disclosure on significant accounting principles, policies, and practices are substantially the same with the disclosure made in 2022 financial statements. Additional disclosures on the significant changes of accounts and subsequent events are presented in the Management Discussion and Analysis.
- ii.) During the Second Quarter of 2023, there were no seasonal or cyclical aspects that materially affect the operation of the Company, no substantial nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, and no unusual items that materially affect the Company's assets, liabilities, equity, net income or cash flows.
- iii.) Issuances, Repurchases, Repayments of Debt and Equity Securities – During the Second Quarter of 2023, there were no securities sold by the Company which were not registered under the Securities Regulation Code (SRC) including the sales of reacquired securities, new issues, securities issued in exchange of property, services or other securities and new securities resulting from the modification of outstanding securities.
- iv.) Dividends – Pursuant to the restrictions provided for in the Company's loan agreement with creditor banks, no cash dividends were declared during the Second Quarter 2023.
- v.) Segment Information - The Company is principally engaged in mining. Its operating revenues as of June 30, 2023 mainly consist of sales of gold to Bangko Sentral Ng Pilipinas amounting to ₱285.8 million and nickel ores amounting to ₱1.2 billion.
- vi.) Subsequent Material Events - There were no material events subsequent to the end of the quarter that have been reflected in the financial statements for the period.
- vii.) There were no changes in the composition of the Company, business combinations, acquisition or disposal of subsidiaries and long-term investments and no substantial changes in contingent liabilities and contingent assets from 2022.

ANNEX “C”

RULES AND PROCEDURE FOR PARTICIPATION AND VOTING IN THE 2023 ANNUAL STOCKHOLDERS’ MEETING

The 2023 Annual Stockholders’ Meeting (ASM) of Benguet Corporation (the “Company”) is scheduled on November 8, 2023 at 3:00pm and the Board of Directors of the Company has approved the holding of ASM by remote communication with record date of September 19, 2023 for stockholders entitled to notice of and to vote at this meeting. The Board has also authorized stockholders to participate in the virtual ASM through remote communication and to exercise their rights to vote in absentia pursuant to the provisions of the Securities and Exchange Commission (SEC).

A. Registration:

Stockholders intending to participate by remote communication in the virtual ASM and to exercise their right to vote in absentia should notify the Company by registering at the Company’s <http://benguetcorp.com/investor-relations/> on or before November 3, 2023, and by submitting thereat the following supporting documents/information, subject to verification and validation.:

:

- a) Individual Stockholders
 - i. Copy of valid government-issued ID of stockholder/proxy.
 - ii. If appointing a proxy, copy of proxy form duly signed by stockholder.
 - iii. Valid and active email address and contact number of stockholder/proxy.
- b) Stockholders with Joint Accounts
 - i. Copy of valid government-issued ID of stockholder/proxy
 - ii. Proof of authority of stockholder voting the shares signed by the other registered stockholders, for shares registered in the name of multiple stockholders.
 - iii. Valid and active email address and contact number of stockholder/proxy.
- c) Corporate Stockholders
 - i. A secretary’s certificate appointing and authorizing proxy to participate in the ASM.
 - ii. Copy of valid government-issued ID of the representative.
 - iii. Valid and active email address and contact number of authorized representative.
- d) Stockholders under PCD Participant/Brokers account
 - i. A broker certification on the stockholder’s number of shareholdings.
 - ii. Copy of stockholder’s valid government issued ID.
 - iii. If appointing a proxy, copy of proxy form duly signed by stockholder.
 - iv. Valid and active email address and contact number of stockholder or proxy.

Note: The Company reserves the right to withhold processing of registration and deny access to ASM facilities for incomplete documents or for any discrepancy found in the information provided. Stockholders who have successfully registered will receive an electronic invitation via email containing the Meeting ID and Password, including the rules and procedures for the ASM.

B. Participation in the ASM by Remote Communications

- a.) Only registered stockholders are entitled to attend and participate and to vote through remote communication or in absentia during the ASM.

- b.) As the ASM will be conducted virtually, questions and/or comments limited to the items in the Agenda of the meeting may be sent prior to or during the ASM to bccorpsec@benquetcorp.com.
- c.) During the virtual meeting, the Company will have an Open Forum. Stockholders will be given an opportunity to raise their questions/comments limited to the items in the Agenda. The Company will exert best efforts to answer as many of the questions/comments received from stockholders as time will allow. Any additional questions or questions received but not entertained during the open forum due to time constraints will be addressed by the Company through the specified email address provided by the stockholder.

C. Voting in Absentia

- a.) Stockholders voting in absentia, who are duly registered and whose shareholdings have been authenticated and verified, may cast their votes electronically using a digital version of the ballot through the Company's website any time prior to or during the meeting.
- b.) Registered stockholder may cast their votes using a digital ballot where they can write their votes on every item in the Agenda or proposed resolution and shall submit duly accomplished ballot to the Office of the Corporate Secretary / Stockholders Relation Office, Benguet Corporation, 7th Floor Universal Re-Building, 106 Paseo de Roxas, Makati City by mail, or by email to bccorpsec@benquetcorp.com for validation. Ballot forms are downloadable in the Company's website at www.benquetcorp.com
- c.) Registered stockholders who wish to appoint a proxy should submit duly accomplished proxy form on or before 3:00 O'clock PM on November 7, 2023, to the Office of the Corporate Secretary / Stockholders Relation Office, Benguet Corporation, 7th Floor Universal Re-Building, 106 Paseo de Roxas, Makati City by mail or by email to bccorpsec@benquetcorp.com for validation
- d.) Proxy forms are downloadable in the Company's website at www.benquetcorp.com

Important Notes:

- a.) The Company will not hold a physical meeting and will conduct the ASM virtually through livestreaming. Stockholders can therefore only participate by remote communication, by voting through ballots sent by email or by proxy.
- b.) Stockholders of record as of September 19, 2023 who have registered and whose shares have been verified and proxies validated shall be counted in the determination of a quorum at the ASM. By participating remotely by proxy, stockholder shall be deemed present for the purpose of quorum.
- c.) The Company shall ensure confidentiality of all votes for tabulation, including those cast by proxy, with assistance from the Company's stock transfer agent (Stock Transfer Service, Inc.) and subject to validation by SGV & Co.
- d.) The ASM proceedings will be recorded in audio and video format and a copy of which shall be made available to the stockholder upon request.
- e.) Electronic Copies of Relevant Documents – Pursuant to SEC Notice issued on 13 March 2023, electronic copies of the Notice of Meeting, Definitive Information Statement and Management

Report, 2022 Annual Report (SEC Form 17-A), 2023 Second Quarter Report (SEC Form 17-Q) and other related documents in connection with the virtual ASM may be accessed through the Company's website www.benquetcorp.com and through the PSE Edge Portal <https://edge.pse.com.ph>

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **BERNARDO M. VILLEGAS**, Filipino, of legal age and a resident of 6 Tyler St., North Greenhills, San Juan City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of BENGUET CORPORATION (the "Company") and have been its independent director since 2002.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Filipino Fund, Inc.	Chairman and Independent Director	2009 to present
DMCI Holdings, Inc.	Independent Director	2023 to present
Abacore Capital Holdings, Inc.	Independent Director	2017 to present
First Metro Philippine Equity Exchange Traded Fund, Inc.	Independent Director	2010 to 2022
Benguetcorp Resources Management Corporation	Independent Director	2012 to present
Transnational Diversified, Inc.	Director and Consultant	1998 to present
Insular Life Assurance Company, Ltd.	Director	2000 to present
PHINMA Properties	Director	2011 to present
Dualtech Foundation	Director	1998 to present
Manila Bulletin	Columnist	1964 to present
University of Asia and the Pacific	Professor	1989 to present
Alaska Milk Corporation	Director and Consultant	1999 to 2019

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Company, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director, officer, or substantial shareholder of the Company, any of its related companies, or any of its substantial shareholders under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not connected with any government agency.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.


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

Done, this 27 SEP 2023 at Makati City


BERNARDO M. VILLEGAS
Affiant

SUBSCRIBED AND SWORN to before me this 27 SEP 2023 at Makati City affiant personally appeared before me and exhibited to me his SSS ID No. 03-1245504-2 issued in the Republic of the Philippines.

Doc. No. 131 ;
Page No. 27 ;
Book No. 1 ;
Series of 2023.


EDRELYNN JOY C. PALAMOS
Notary Public for Makati City
Commission No. M-524 until December 31, 2024
D.S. Tantuico & Associates, 3rd Flr., Universal Re Bulding,
106 Paseo De Roxas, Makati City
Roll No. 80092
IBP No. 255595, December 29, 2022, Leyte
PTR No. MKT 9582166, Makati City January 13, 2023
MCLE Initial Compliance until April 2025



CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RHODORA L. DAPULA**, Filipino, of legal age, with office address at Unit 7L OPL Building, 100 C. Palanca St., Legaspi Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of BENGUET CORPORATION (the "Company") and have been its independent director since August 2018.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Dapula, Dapula and Associates Law Offices	Partner	2007 to present
G.D. Brains and Castles Inc.	President/CEO	2017 to present
Proficientlink Realty Corporation	President/CEO	2017 to present


3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Company provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director, officer, or substantial shareholder of the Company, any of its related companies, or any of its substantial shareholders under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not employed with any government agency.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of the Company of any changes in the abovementioned information within five days from its occurrence.

Done, this 22 SEP 2023 at Makati City


RHODORA L. DAPULA
 Affiant

SUBSCRIBED AND SWORN to before me this 27 SEP 2023 at Makati City
affiant personally appeared before me and exhibited to me her PRC Registration No. 0001110
registered at PRC-Manila on 26 January 2011 valid until 03 December 2023.

Doc. No. 130 ;
Page No. 26 ;
Book No. 1 ;
Series of 2023.


EDRELYNN JOY C. PALAMOS
Notary Public for Makati City
Commission No. M-524 until December 31, 2024
D.S. Tantulce & Associates, 3rd Flr., Universal Re Building,
106 Paseo De Roxas, Makati City
Roll No. 80092
IBP No. 255595, December 29, 2022, Leyte
PTR No. MKT 9582166, Makati City January 13, 2023
MCLE Initial Compliance until April 2025



CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ELMER B. SERRANO**, Filipino, of legal age, with office address at Unit 1105, 11th Floor, Tower 2, High Street South Corporate Plaza, 26th Street, Bonifacio, Global City, Taguig, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of BENGUET CORPORATION (the **Company**) and have been its independent director since August 30, 2023.
2. I am affiliated with the following companies or organizations:

COMPANY	Positions	PERIOD OF SERVICE
Serrano Law	Managing Partner	2022 to present
BDO Unibank, Inc.	Corporate Information Officer	2007 to present
BDO Capital & Investment Corp.	Corporate Secretary	2007 to present
BDO Insurance Brokers, Inc.	Corporate Secretary	2007 to present
Dominion Holdings, Inc.	Chairman	2022 to present
BDO Securities Corporation	Corporate Secretary	2007 to present
SM Investments Corporation	Corporate Secretary	2014 to present
SM Prime Holdings, Inc.	Corporate Secretary & Alternate Compliance Officer	2014 to present
BDO Life Assurance Company, Inc.	Corporate Secretary	2016 to present
BDO Towers Condoclub, Inc.	Corporate Secretary	2018 to present
BDO Towers Paseo Condominium Corp.	Corporate Secretary	2018 to present
BDO Towers Valero Condominium Corp.	Corporate Secretary	2018 to present
BDO Equitable Tower Condominium Corp.	Corporate Secretary	2018 to present
Atlas Consolidated Mining and Development Corporation	Corporate Secretary	2022 to present
Philippine Payments Management, Inc.	Corporate Secretary	2017 to present
Philippine Dealing System Holdings Corp.	Corporate Secretary	2016 to present
Philippine Dealing & Exchange Corp.	Corporate Secretary	2016 to present
Philippine Depository & Trust Corp.	Corporate Secretary	2016 to present
PCD Nominee Corp.	Corporate Secretary	2016 to present
2GO Group, Inc.	Director, Corporate Secretary & Corporate Information Officer	2017 to present
Premium Leisure Inc.	Corporate Secretary	2015 to present
Premium Leisure Amusement Inc.	Corporate Secretary	2015 to present
Sinophil Leisure and Resorts	Corporate Secretary	2016 to present
Foundation Capital Resources, Inc.	Corporate Secretary	2016 to present
N Lima BGC Properties Inc.	Corporate Secretary	2019 to present
N Park BGC Land Inc.	Corporate Secretary	2019 to present
N Park BGC Properties Inc.	Corporate Secretary	2019 to present
N One BGC Properties Inc.	Corporate Secretary	2019 to present
N Square BGC Properties Inc.	Corporate Secretary	2019 to present
N Cube BGC Properties Inc.	Corporate Secretary	2019 to present
N Quad BGC Properties Inc.	Corporate Secretary	2019 to present
N Plaza BGC Properties Inc.	Corporate Secretary	2019 to present
N Quad BGC Properties Inc.	Corporate Secretary	2019 to present

N Cube BGC Land Inc.	Corporate Secretary	2019 to present
N Square BGC Land Inc.	Corporate Secretary	2019 to present
N Plaza BGC Properties Inc.	Corporate Secretary	2019 to present
N One BGC Land Inc.	Corporate Secretary	2019 to present
DFNN Inc.	Corporate Secretary	2017 to present
JACCS Finance Philippines Corporation	Corporate Secretary	2016 to present
Landbridge Home Dev. & Realty Corp.	President	2000 to present
Human Managed Phils., Inc.	Chairman	2018 to present
Three Angels Holding Corporation	Chairman & President	2005 to present
ES Consultancy Group, Inc.	Chairman & President	2016 to present
Three Point Star Holdings, Inc.	Chairman & President	2017 to present
Philippine Telegraph & Telephone Corporation	Independent Director	2022 to present
EEL Corporation	Independent Director	2023 to present

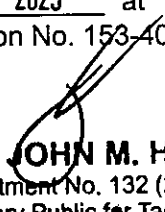
3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Company provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director, officer, or substantial shareholder of the Company, any of its related companies, or any of its substantial shareholders under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not employed with any government agency.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of the Company of any changes in the abovementioned information within five days from its occurrence.

Done, this SEP 21 2023 at Taguig City.


Elmer B. Serrano
 Affiant

SUBSCRIBED AND SWORN to before me this SEP 21 2023 at Taguig City affiant personally appeared before me and exhibited to me his Tax Identification No. 153-406-995.

Doc. No. 165 ;
 Page No. 34 ;
 Book No. I ;
 Series of 2023.


JESSE JOHN M. HERMOSO
 Appointment No. 132 (2023-2024)
 Notary Public for Taguig City
 Until December 31, 2024
 Attorney's Roll No. 83148



SECURITIES AND EXCHANGE COMMISSION

SEC Headquarters, 7907 Makati Avenue, Salcedo Village, Barangay Bel-Air, Makati City, 1208, Metro Manila Philippines

Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph



The following document has been received:

Receiving: Mark Jason Orcine

Receipt Date and Time: May 02, 2023 02:21:56 PM

Company Information

SEC Registration No.: 0000011341

Company Name: BENGUET CORP.

Industry Classification: G51000

Company Type: Stock Corporation

Document Information

Document ID: OST10502202381085310

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2022

Submission Type: Consolidated

Remarks: None

Acceptance of this document is subject to review of forms and contents



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, 2022, 2021 and 2020, 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
Chairman of the Board


LINA G. FERNANDEZ
President


MAX D. ARCEÑO
Senior Vice President – Finance & Treasurer

Signed this March 30, 2023.

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
City of Makati) S.S.

SUBSCRIBED AND SWORN to before me this MAR 30 2023 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.

Doc. No. 211 ;
Page No. 44 ;
Book No. I ;
Series of 2023.



ERWEN C. LENT-BELGICA
Commission No. M-055
Notary Public for Makati City
Until December 31, 2023
7F Universal Re Building
106 Paseo de Roxas, Makati City
Roll No. 53476

COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1 1 3 4 1

COMPANY NAME

B E N G U E T C O R P O R A T I O N A N D S U B S I D
I A R I E S

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

7 t h F l o o r , U n i v e r s a l R e B u i l d i
n g , 1 0 6 P a s e o d e R o x a s , 1 2 2 6 M
a k a t i C i t y

Form Type

A A C F S

Department requiring the report

C R M D

Secondary License Type, if Applicable

N / A

COMPANY INFORMATION

Company's Email Address

BCCorpSec@benguetcorp.com

Company's Telephone Number

(02) 8812-1380

Mobile Number

09166100630

No. of Stockholders

16,896

Annual Meeting (Month / Day)

First Wednesday in
November

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Mr. Reynaldo P. Mendoza

Email Address

rey_men777@yahoo.com

Telephone Number/s

(02) 8775-1913

Mobile Number

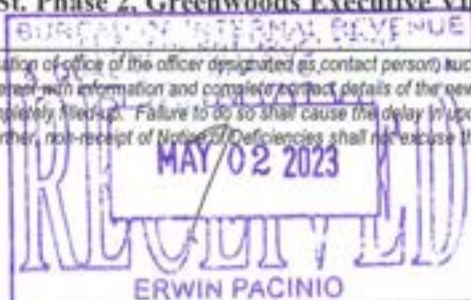
N/A

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.

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



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
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, 2022 and 2021, 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, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2022 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

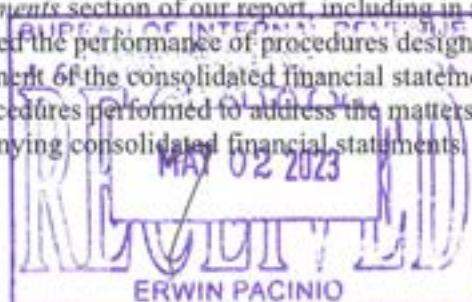
We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance 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, 2022, land classified as investment properties amounting to ₱2,991.98 million and land classified as property, plant and equipment amounting to ₱1,677.57 million represented 30% 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 reviewed 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.

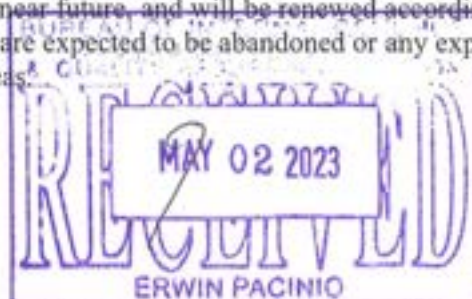
Recoverability of Deferred Mine Exploration Costs

As at December 31, 2022, the carrying value of the Group's deferred mine exploration costs amounted to ₱492.51 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 reserves. We considered this is 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 an understanding of the Group's capitalization policy and tested whether the policy has been applied consistently. We obtained management's assessment on the recoverability of the deferred exploration costs and inquired into the status of each exploration project and their plans on operations. We obtained the summary of the status of each exploration project as of December 31, 2022, as certified by the Group's technical group head and compared it with the certifications provided by a regulatory agency. We inspected the licenses, permits and correspondences of each mine exploration project to determine that the period for which the Group has the right to explore in the specific areas 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, 2022, 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, 2022 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, 2022 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



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.

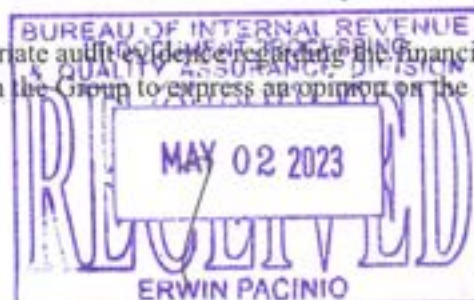
Those charged with governance are responsible for overseeing the Group's financial reporting process.

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.



We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

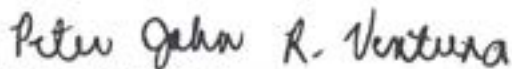
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Partner

CPA Certificate No. 0113172

Tax Identification No. 301-106-741

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 113172-SEC (Group A)

Valid to cover audit of 2022 to 2026 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-140-2021, November 10, 2021, valid until November 9, 2024

PTR No. 9566012, January 3, 2023, Makati City

March 30, 2023



BENGUET CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

	December 31	
	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	P1,002,750	P603,248
Trade and other receivables (Note 5)	782,505	514,960
Inventories (Note 6)	180,572	142,059
Financial assets at fair value through profit or loss (Note 7)	1,114,611	674,977
Other current assets (Note 8)	352,430	481,690
Total Current Assets	3,432,868	2,416,934
Noncurrent Assets		
Property, plant and equipment (Note 9)		
At revalued amount	1,729,705	1,703,403
At cost	780,200	848,388
Deferred mine exploration costs (Note 10)	492,505	455,397
Investment properties (Note 11)	2,991,984	2,910,663
Deferred tax assets - net (Note 30)	9,918	11,646
Other noncurrent assets (Note 12)	471,896	402,922
Total Noncurrent Assets	6,476,208	6,332,419
TOTAL ASSETS	P9,909,076	P8,749,353
LIABILITIES AND EQUITY		
Current Liabilities		
Loans payable (Note 13)	P337,035	P337,035
Trade and other payables (Note 14)	555,712	669,398
Lease liabilities - current (Note 15)	6,309	9,181
Liability for mine rehabilitation - current (Note 16)	10,488	6,573
Income tax payable	105,859	137,816
Total Current Liabilities	1,015,403	1,160,003
Noncurrent Liabilities		
Lease liabilities - net of current portion (Note 15)	5,798	11,913
Liability for mine rehabilitation - net of current portion (Note 16)	48,568	54,174
Pension liability (Note 29)	56,015	73,352
Deferred tax liabilities - net (Note 30)	769,212	748,578
Other noncurrent liabilities (Note 17)	237,814	291,800
Total Noncurrent Liabilities	1,117,407	1,179,817
Total Liabilities	2,132,810	2,339,820
Equity		
Capital stock (Note 18)	624,015	624,015
Capital surplus	415,110	409,929
Cost of share-based payment (Note 19)	6,275	9,198
Retained earnings	5,353,428	4,021,846
Other components of equity (Note 18)	1,385,454	1,352,561
	7,784,282	6,417,549
Treasury shares (Note 18)	(8,016)	(8,016)
Total Equity	7,776,266	6,409,533
TOTAL LIABILITIES AND EQUITY	P9,909,076	P8,749,353

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		
	2022	2021	2020
REVENUE (Note 20)	P4,025,195	P3,841,888	P1,619,725
COSTS AND OPERATING EXPENSES			
Costs of mine products sold (Note 21)	(970,388)	(921,685)	(725,772)
Costs of services and other sales (Note 22)	(80,158)	(74,842)	(39,167)
Selling and general expenses (Note 23)	(1,078,542)	(992,281)	(408,390)
Excise taxes and royalty fees (Notes 20)	(299,747)	(284,282)	(101,026)
	(2,428,835)	(2,273,090)	(1,274,355)
INTEREST EXPENSE (Notes 13 and 15)	(1,102)	(3,888)	(3,130)
OTHER INCOME - net (Note 26)	164,014	229,091	141,028
INCOME BEFORE INCOME TAX	1,759,272	1,794,001	483,268
PROVISION FOR INCOME TAX (Note 30)	428,225	372,397	101,883
NET INCOME	P1,331,047	P1,421,604	P381,385
BASIC EARNINGS PER SHARE (Note 31)	P2.14	P2.29	P0.62
DILUTED EARNINGS PER SHARE (Note 31)	P2.12	P2.27	P0.61

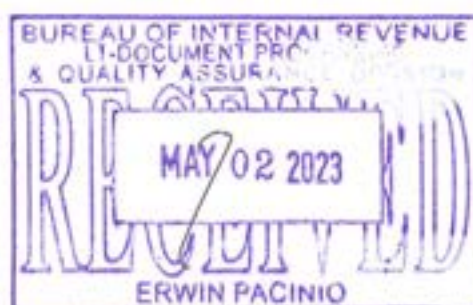
See accompanying Notes to Consolidated Financial Statements.



BENGUET CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	Years Ended December 31		
	2022	2021	2020
NET INCOME	P1,331,047	P1,421,604	P381,385
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX			
<i>Item to be reclassified to profit or loss in subsequent periods:</i>			
Translation adjustment on foreign subsidiaries	5,192	4,613	(1,997)
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>			
Revaluation of land (Note 9)	20,700	178,584	-
Remeasurement gain (loss) on pension liability (Note 29)	6,960	1,083	(11,823)
Unrealized gain on equity instruments designated at fair value through other comprehensive income (Note 12)	603	15	193
Unrealized gain on intangible asset	(27)	-	-
	28,236	179,682	(11,630)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	33,428	184,295	(13,627)
TOTAL COMPREHENSIVE INCOME	P1,364,475	P1,605,899	P367,758

See accompanying Notes to Consolidated Financial Statements.



BENGUET CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020
(Amounts in Thousands)



	Other components of equity							Treasury shares (Note 19)	Total
	Capital stock (Note 18)	Capital surplus	Cost of share-based payment (Note 19)	Revaluation increment on land and artworks (Note 18)	Cumulative translation adjustment on foreign subsidiaries (Note 18)	Reassessment gain on pension liability (Notes 18 and 29)	Unrealized gain on financial assets at FVOCI intangible asset (Notes 12 and 18)		
Balances at January 1, 2020	P616,863	P380,382	P21,671	P1,127,236	P33,592	P31,413	P135	P2,217,483	P4,411,659
Exercise of stock options (Notes 18 and 19)	352	2,229	(1,957)	-	-	-	-	-	634
Cancellation of stock options (Note 19)	-	6,348	(6,348)	-	-	-	-	-	-
Net income	-	-	-	-	(1,997)	(11,823)	-	381,385	381,385
Other comprehensive income (loss)	-	-	-	-	(1,997)	(11,823)	193	(13,627)	(13,627)
Total Comprehensive Income (Loss)	-	-	-	-	(1,997)	(11,823)	193	(13,627)	(13,627)
Balances at December 31, 2020	P617,215	P388,969	P13,366	P1,127,236	P31,595	P19,590	P135	P2,596,788	P4,780,842
Stock options expense (Notes 18 and 24)	-	-	13,778	-	-	-	-	-	13,778
Exercise of stock options (Notes 18 and 19)	6,800	15,740	(12,726)	-	-	-	-	-	9,814
Cancellation of stock options (Note 19)	-	5,220	(5,220)	-	-	-	-	-	-
Transfer of fair value reserve on financial asset at FVOCI (Note 12)	-	-	-	-	-	(1,454)	-	(1,454)	-
Net income	-	-	-	178,584	4,613	1,083	-	184,295	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	1,605,899
Balances at December 31, 2021	P624,015	P409,929	P9,198	P1,305,820	P36,208	P20,673	P135	P4,021,846	P6,097,533
Stock options expense (Notes 18 and 19)	-	-	2,258	-	-	-	-	-	2,258
Cancellation of stock options (Note 19)	-	-	(5,181)	-	-	-	-	-	-
Transfer of revaluation increment to retained earnings from the sale of land (Note 11)	-	-	-	(535)	-	-	-	(535)	-
Net income	-	-	-	20,700	5,192	6,960	-	33,428	1,331,047
Other comprehensive income (loss)	-	-	-	20,700	5,192	6,960	(27)	33,428	33,428
Total Comprehensive Income (Loss)	-	-	-	20,700	5,192	6,960	(27)	33,428	1,364,475
Balances at December 31, 2022	P624,015	P415,110	P6,275	P1,325,985	P41,400	P27,633	P108	P5,353,428	P7,776,366

See accompanying Notes to Consolidated Financial Statements.



BENGUET CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	P1,759,272	P1,794,001	P483,268
Adjustments for:			
Depreciation and depletion (Notes 9 and 25)	81,214	148,214	54,269
Movement in liability for mine rehabilitation (Notes 16 and 26)	16,858	(37,830)	5,290
Movements in pension liability	(6,486)	(8,239)	2,379
Interest income (Notes 4, 5, 12 and 26)	(2,089)	(3,293)	(819)
Stock options expense (Notes 19 and 24)	2,258	13,778	-
Accretion on the liability for mine rehabilitation (Notes 16 and 26)	1,746	2,453	3,376
Interest expense (Notes 13 and 15)	1,102	3,888	3,130
Provision for impairment loss on other noncurrent assets (Notes 12 and 26)	938	18,397	-
Loss (gain) on:			
Revaluation on investment properties (Notes 11 and 26)	(85,332)	(276,986)	(154,815)
Change in fair value of financial assets at fair value through profit or loss (FVPL) (Notes 7 and 26)	(18,213)	(2,389)	-
Disposal of property, plant and equipment (Note 9)	11,238	-	(35)
Unrealized foreign currency exchange	5,522	9,564	(13,015)
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	1,767,409	1,677,484	383,028
Decrease (increase) in:			
Trade and other receivables	(56,894)	(39,692)	(184,285)
Inventories	(38,467)	(40,919)	31,440
Other current assets	129,260	(82,970)	(11,801)
Increase (decrease) in trade and other payables	(113,686)	59,399	38,484
Net cash flows generated from operations	1,687,622	1,573,302	256,866
Income taxes paid	(445,168)	(225,277)	(3,327)
Interest received	2,089	827	819
Interest paid	(1,102)	(1,596)	(1,488)
Net cash flows from operating activities	1,243,441	1,347,256	252,870
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of:			
Financial assets at FVPL (Note 7)	59,311	-	-
Investment properties (Note 11)	4,630	-	-
Property, plant and equipment (Note 9)	157	-	35
Additions to:			
Financial assets at FVPL (Note 7)	(480,732)	(660,089)	-
Property, plant and equipment (Note 9)	(45,383)	(40,860)	(27,307)
Deferred mine exploration costs (Note 10)	(31,221)	(11,693)	(10,811)
Payments of advances to supplier	(257,889)	-	-
Increase in other noncurrent assets	(22,744)	(11,199)	(16,087)
Net cash flows used in investing activities	(773,871)	(723,841)	(54,170)

(Forward)



	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Loans payable (Note 13)	P-	(P182,323)	(P1,370)
Principal portion of lease liability (Note 15)	(8,366)	(7,697)	(2,070)
Proceeds from:			
Employees' exercise of stock options (Note 19)	-	9,814	634
Decrease in other noncurrent liabilities	(56,853)	(99,612)	-
Net cash flows used in financing activities	(65,219)	(279,818)	(2,806)
NET INCREASE IN CASH AND CASH EQUIVALENTS	404,351	343,597	195,894
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(4,849)	(11,897)	(1,518)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	603,248	271,548	77,172
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	P1,002,750	P603,248	P271,548

See accompanying Notes to Consolidated Financial Statements.



BENGUET CORPORATION AND SUBSIDIARIES

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:

	<i>Prior to quasi-reorganization</i>	<i>Effect of quasi-reorganization</i>	<i>After quasi-reorganization</i>
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 ₱1,405.16 million and ₱1,319.83 million as at December 31, 2022 and 2021, respectively (see Note 11).

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 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'
- 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 30, 2023, 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, 2022, 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 30, 2023.



Sta. Cruz Nickel Project (SCNP)

On July 8, 2016, 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 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 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 demanding 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 Coordinating 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 still 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.

In 2021, the Company 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 DENR 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 7,340 tons, 7,645 tons, and 7,072 tons of quicklime in 2022, 2021 and 2020, 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 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 Parent Company argued that there was no negligence because the incident is due to force majeure and the tailings leak was immediately remediated. 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.

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 30, 2023, 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 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 signed contracts and undertook activities for the detailed engineering of the project, rehabilitation of the tailings ponds and reinforcement of the silt dam. 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. The excavated materials from its expansion and rehabilitation activities will be used for the raising of the embankment of Tailings Ponds Nos. 2 and 3 to the level in which the BTP will be able to pump the tailings to a processing plant in Balatoc.

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, all rights and interest in BTP, including liabilities to third parties, so that the reprocessing of tailings can be made part of the Acupan operation once more. The reconveyance 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.

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. In 2012, the Parent Company also participated in the bidding under the Philippine Energy Contracting Round four for coal to possibly secure other prospective coal areas. The result of the bidding is awaiting the decision of the Department of Energy.



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.

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, 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. 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 is prioritizing to obtain the permits for the additional 6 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 Orelina 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 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 Parent 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 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-I) and Apayao (denominated as AFTA No. 033-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 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 September 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 30, 2023, management is still awaiting resolution of the issue.

As at December 31, 2022 and 2021, the cost and accumulated amortization of the water rights amounted to ₱4.59 million. ADOVC accrued and paid water permit fees amounting to ₱0.01 million and nil in 2022 and 2021, 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 30, 2023, 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 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 30, 2023, CMSC and CMSI have not yet filed the BIR clearance and 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, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 were authorized for issuance by the Parent Company's BOD on March 30, 2023.



2. Summary of Significant 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 fair value through other comprehensive income (FVOCI), financial assets at fair value through profit or loss (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) as issued by the Financial and Sustainability Reporting Standards Council (FSRSC).

Basis of Consolidation and Group Information

As at December 31, 2022 and 2021, 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
BMC*	Foundry	Philippines	100.00
BMC’s Subsidiaries:			
Arrow Freight Corporation (AFC)	Logistics	Philippines	100.00
Benguetrade, Inc. (BTI)*	Trading	Philippines	100.00
BMC Forestry Corporation (BFC)	Real estate	Philippines	100.00
ADOVC*	Selling of treated and untreated water	Philippines	100.00
BPGC*	Exploration and development	Philippines	100.00
BCPMI*	Management services	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
BBMRC*	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



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

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

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

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

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

The financial statements of the subsidiaries are prepared for the same reporting period as the Group, using consistent accounting policies. All intercompany balances, transactions, unrealized gains and losses resulting from the intercompany transactions and dividends are eliminated in full.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group. 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.

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted the following new accounting pronouncements starting January 1, 2022. 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 PFRS 3, *Reference to the Conceptual Framework*

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.



At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

- *Annual Improvements to PFRSs 2018-2020 Cycle*

- Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported in the parent’s consolidated financial statements, based on the parent’s date of transition to PFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

- Amendments to PFRS 9, *Financial Instruments, Fees in the ‘10 per cent’ test for derecognition of financial liabilities*

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.



Standards issued but not yet effective

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

Effective beginning on or after January 1, 2023

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

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*

Presentation of Consolidated Financial Statements

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

Current versus Noncurrent Classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current or noncurrent classification. An asset is current when it is:

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

All other assets are classified as noncurrent.

A liability is current when:

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

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities

Cash and Cash Equivalents

Cash consists of cash on hand and in banks. Cash in banks earns interest at the respective bank deposit rates. Cash equivalents include short-term deposits are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at the prevailing short-term investment rates.



Financial Instruments

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

Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI, and 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, *Revenue from Contracts with Customers*.

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.

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

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

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, receivables from lessees of bunkhouses, advances to contractors under "Other current assets" and loans receivable under "Other noncurrent assets", respectively.



- *Financial assets at FVPL*

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

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

The Group's financial assets at FVPL include its investments in unit investment trust fund (UITF) (see Note 7).

- *Financial assets designated 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 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 elected to classify irrevocably its investments in quoted shares under this category (see Note 12).

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

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

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

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



Impairment

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, advances to contractors and loan 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

Initial Recognition and Measurement

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

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

The Group's financial liabilities include trade payables and accrued expenses under "trade and other payables", loans payable, lease liabilities, and equity of claim owners on contract operations under "other noncurrent liabilities".

Subsequent Measurement - Financial liabilities at amortised 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 recognised in the consolidated statement of income when the liabilities are derecognised as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of income.

This category generally applies to the Group's loans payable, lease liabilities and non-interest-bearing financial liabilities.

Derecognition

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

Offsetting of Financial Instruments

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



Fair Value Measurement

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.

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
- 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)

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.

Other Current and Noncurrent Assets

Other current and noncurrent assets include various prepaid expenses, advances to contractors, value-added tax (VAT), creditable withholding taxes (CWTs), and intangible asset.

Prepaid Expenses

Prepaid expenses pertain to advance payments for insurance, rent, other services and tax credit certificates (TCC) granted by the BIR to the Group. These are stated at cost.

Advances to Contractors

Advances to contractors comprise mainly of advance payments made by the Group relating to services, materials and supplies necessary for the Group's operations. These are noninterest-bearing and will be realized through offsetting against future billings from contractors, or cash payments, depending on the individual agreements.

VAT

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

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

Deferred input VAT arises from the Groups' unsettled purchase of services and will be claimed as input VAT upon payment.



CWTs

CWTs are amounts withheld from income of the Group subject to expanded withholding taxes. CWTs can be utilized as payments for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules of Philippine income taxation. CWTs are recognized to the extent of its recoverable amount.

Intangible Asset

The Group's intangible asset pertains to a non-proprietary golf club share. The golf club share was initially measured at cost. Following initial recognition, the intangible asset is carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible asset pertaining to a golf club share is not amortized, but is tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

A revaluation surplus is recorded in OCI and credited to the unrealized gain on intangible asset in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognized in profit or loss, the increase is recognized in profit or loss. 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 as unrealized gain on intangible asset in equity.

Upon disposal, any unrealized gain on intangible asset in equity is transferred to retained earnings.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income when the asset is derecognized.

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.

Construction in progress (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.



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
Machinery, tools and equipment	2 years

Right-of-use assets are subject to impairment.

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

Depreciation and amortization 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 group that is classified as held for sale) in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, and the date the asset is derecognized.

The estimated 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.

The carrying values of property, plant, and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

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 consolidated statement of income in the year the asset is derecognized.

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 Non-financial 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 and Leases of Low-value Assets

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 and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which these are earned.

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.

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.



Deposits for Future Stock Subscriptions

Deposits for future stock subscriptions represent advance payments of stockholders for subscriptions of shares to be issued in the future but for which the Group has no sufficient unissued authorized capital stock.

In instances where the Group does not have sufficient unissued authorized capital stock, the following elements should be present as of the reporting date in order for the deposits for future subscriptions to qualify as equity:

- The unissued authorized capital stock of the entity is insufficient to cover the number of shares indicated in the contract
- There is BOD approval on the proposed increase in authorized capital stock (for which a deposit was received by the Parent Company)
- There is stockholders' approval of said proposed increase and
- The application for the approval of the proposed increase has been presented for filing or has been filed with the Philippine SEC

Otherwise, these are recognized as noncurrent liabilities.

Retained Earnings

Retained earnings represent the cumulative balance of periodic net income or loss, dividend declarations, prior period adjustments, effect of changes in accounting policies and other capital adjustments.

Dividend Distribution

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

Other Components of Equity

The 'Other components of equity' caption in the consolidated statement of financial position consists of:

- Revaluation increment on land and artworks- net of deferred tax
- Cumulative translation adjustment on foreign subsidiaries - net of deferred tax
- Remeasurement gain on pension liability - net of deferred tax
- Unrealized gain on financial assets at FVOCI
- Unrealized gain on intangible asset

Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in capital surplus under the equity section of the consolidated statement of financial position.

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 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.

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.

Port Services

Revenue from port service is recognized over time upon loading of ores to the vessel.

Contract Balances

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

The Group does not have any contract asset as of December 31, 2022 and 2021.

Trade Receivables

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



Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

Interest Income

For all financial instruments measured at amortized cost and interest-bearing financial assets, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in "Other income - net" in the consolidated statement of income.

Other income not directly related to the Group's normal operations is recognized when the earnings process is virtually complete. These are classified under "Other income - net" in the consolidated statement of income.

Rental Income

Rental income arising from lease agreements is accounted for on a straight-line basis over the lease terms. Rental income from other activities is recognized when earned. These are presented in "Revenues" and "Other income-net", respectively, in the consolidated statement of income.

Cost and Expense Recognition

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrences of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Costs and expenses are generally recognized when these arise following the accrual basis of accounting.

Cost of Mine Products Sold

Cost of mine products sold is incurred in the normal course of business and is recognized when incurred. It comprises mainly of outside services, materials and supplies, depreciation, depletion and amortization, personnel expenses, power and utilities and others, which are recognized as expenses in the period when the mine products are delivered.

Cost of Services and Other Sales

Cost of services and other sales incurred in the normal course of business are recognized when the services are rendered, the goods are delivered, or the earnings process is virtually complete.

Included under this caption is the cost of real estate sold. Cost of real estate sold is recognized when the control over the subdivision lots have been transferred to the buyer. This includes land cost, costs of site preparation, professional fees for legal services, property transfer taxes, and other related costs. The cost of real estate sold recognized in consolidated income statement on disposal is determined with reference to the specific costs incurred on the subdivision lot and an allocation of any non-specific costs based on the relative size of the subdivision lot.

Selling and General Expenses

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



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.

OCI

OCI comprises items of income and expense (including items previously presented under the consolidated statement of changes in equity) that are not recognized in the consolidated statement of income.

Pension and Other Post-employment Benefits

The Parent Company and AFC 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, the effect of the asset 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 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.

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

Contingencies

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

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.

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

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.

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, 2022 and 2021, deferred mine exploration costs amounted to ₱492.51 million and ₱455.40 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, Advances to Contractors under "Other Current Assets" and Loan Receivables under "Other Noncurrent Assets"

The Group uses the simplified approach in the assessment of the ECL for its trade receivables and general approach model for its other receivables, advances to contractors under "Other current assets" and loan receivables 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 and other receivables, advances to contractors under "Other current assets" and loan receivables under "Other noncurrent assets" amounted to ₱782.51 million and ₱789.64 million as at December 31, 2022 and 2021, respectively (see Notes 5, 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 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, 2022 and 2021, carrying values of mine and mining properties amounted to ₱646.06 million and ₱696.68 million, respectively (see Note 9). Depletion charges recognized amounted to ₱41.76 million, ₱73.60 million and ₱16.43 million in 2022, 2021 and 2020, respectively (see Notes 9 and 25).

As at December 31, 2022 and 2021, carrying values of liability for mine rehabilitation amounted to ₱59.06 million and ₱60.75 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 2022, 2021 and 2020 on property, plant and equipment.

As at December 31, 2022 and 2021, property, plant and equipment (at cost) amounted to ₱780.20 million and ₱848.39 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, 2022 and 2021, the carrying value of inventories amounted to ₱180.57 million and ₱142.06 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 ₱612.52 million and ₱343.26 million as at December 31, 2022 and 2021, 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 the consolidated statements of 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, 2022 and 2021, the appraised value of land and artworks, and investment properties amounted to ₱4,721.69 million and ₱4,614.07 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, 2022 and 2021, the carrying amount of mine and mining properties amounted to ₱580.18 million and ₱611.31 million, respectively. Carrying amount of mine rehabilitation asset amounted to ₱41.96 million and ₱65.08 million as of December 31, 2022 and 2021, 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 ₱12.11 million and ₱21.09 million as at December 31, 2022 and 2021, 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 ₱59.06 million and ₱60.75 million as at December 31, 2022 and 2021, respectively (see Note 16).

Estimating Cost of Share-Based Payment

The Parent Company’s Nonqualified Stock Option Plan grants qualified participants the right to purchase common shares of the Parent Company at a grant price. The employee stock ownership incentive plan (ESOIP) recognizes the services received from the eligible employees and an equivalent adjustment to the equity account over the vesting period. The Parent Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 19. While management believes that the estimates and assumptions used are reasonable and appropriate, significant differences in actual experience or significant changes in the estimates and assumptions may materially affect the stock compensation costs charged to operations.



Cost of share-based payment amounted to ₱6.28 million and ₱9.20 million as at December 31, 2022 and 2021, respectively (see Note 19).

Estimating Pension Benefits

The cost of defined benefit pension and other post-employment 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 ₱56.02 million and ₱73.35 million as at December 31, 2022 and 2021 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 ₱79.42 million and ₱100.74 million as at December 31, 2022 and 2021, respectively (see Note 30).

The Group did not recognize deferred tax assets totaling ₱400.58 million and ₱432.50 million as at December 31, 2022 and 2021, respectively, on the remaining unused NOLCO, MCIT and deductible temporary differences (see Note 30).

4. Cash and Cash Equivalents

	2022	2021
Cash on hand and in banks	₱949,142	₱552,236
Short-term deposits	53,608	51,012
	₱1,002,750	₱603,248

Interest income from cash and cash equivalents amounted to ₱1.35 million, ₱0.79 million and ₱0.66 million in 2022, 2021, and 2020, respectively (see Note 26).



5. Trade and Other Receivables

	2022	2021
Trade	₱292,401	₱221,867
Loan receivable	261,087	–
Nontrade	186,833	229,503
Advances to officers and employees	117,554	93,142
ESOIP (Note 27)	58,416	58,416
Receivables from lessees of bunkhouses	3,855	3,689
Others	18,824	21,704
	938,970	628,321
Less allowance for ECLs	156,465	113,361
	₱782,505	₱514,960

Trade 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 are noninterest-bearing and are subject to liquidation.

Nontrade receivables pertain to advances made to suppliers by the Group relating to materials and supplies necessary in the Group's operation. These are noninterest-bearing and will be realized through offsetting against future billings from suppliers or will be settled in cash.

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 ₱211.32 million, net of allowance amounting to ₱49.76 million as at December 31, 2022 and 2021. 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 (see Note 12). In 2022, the loan was reverted to other current assets. Interest earned for this loan amounted to nil, ₱2.46 million and nil in 2022, 2021 and 2020, respectively (see Note 26).

Other receivables comprise various receivable items from different debtors of the Group, while advances to officers and employees pertain to cash advances that are used in the operations of the Group.

Movements in allowance for ECL in 2022 and 2021 are as follows:

	2022								
	Trade Receivables	Nontrade Receivables	Advances to officers and employees	ESOIP (Note 28)	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	



2021								
	Trade	Nontrade	Advances to	ESOIP	Loans	Receivables	Others	Total
	Receivables	Receivables	officers and	(Note 28)	receivable	from		
			employees			lessees of		
						bunkhouses		
Balances at beginning of year	P27,882	P8,409	P1,830	P58,416	49,763	P3,644	P3,476	P153,420
Provisions (Note 23)	11,447	-	-	-	-	45	-	11,492
Recoveries (Note 23)	(627)	-	-	-	-	-	(1,161)	(1,788)
Reclassifications (Note 12)	-	-	-	-	(49,763)	-	-	(49,763)
Balances at end of year	P38,702	P8,409	P1,830	P58,416	P-	P3,689	P2,315	P113,361

Except for those impaired accounts, the Group assessed trade and other receivables as collectible and in good standing.

6. Inventories

	2022	2021
At Cost:		
Beneficiated nickel ore	₱121,377	₱117,467
Gold button	3,565	-
Quicklime and slakelime	1,956	1,446
Subdivision lots and housing units for sale	1,897	2,284
	128,795	121,197
At NRV:		
Materials and supplies	208,391	196,364
Provision for inventory obsolescence	(156,614)	(175,502)
	51,777	20,862
	₱180,572	₱142,059

As at December 31, 2022 and 2021, 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 2022. 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 ₱0.05 million, nil and ₱0.42 million in 2022, 2021 and 2020, 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 ₱152.00 million, ₱238.36 million and ₱209.54 million in 2022, 2021 and 2020, respectively.

The aggregate cost of beneficiated nickel ore inventory that increased cost of mine products sold amounted to ₱5.09 million and ₱35.39 million in 2022 and 2020, respectively and decreased cost of mine products sold amounted to ₱40.56 million in 2021 (see Note 21).

Movements of provision for inventory obsolescence on materials and supplies are as follows:

	2022	2021
Balances at beginning of year	₱175,502	₱175,502
Recoveries (Note 26)	(18,888)	-
Balances at end of year	₱156,614	₱175,502



The Group recognized gain on recovered materials and supplies amounting to ₱18.89 million in 2022 (see Note 26).

Materials and supplies charged to current operations amounted to ₱283.31 million, ₱210.83 million and ₱140.53 million in 2022, 2021 and 2020, 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, 2022 and 2021.

7. Financial Assets at FVPL

The Groups's financial assets at FVPL are investments in unit investment trust funds (UITF).

Movements in financial assets at FVPL are as follows:

	2022	2021
Beginning balance	₱674,977	₱-
Additions	480,732	660,089
Disposals	(59,311)	-
Changes in fair value (Note 26)	18,213	2,389
Transfer from financial assets at FVOCI (Note 12)	-	12,499
Beginning balance	₱1,114,611	₱674,977

8. Other Current Assets

	2022	2021
Input VAT – net	₱280,549	₱293,363
Advances to contractors	-	102,610
Deferred input VAT	58,318	74,609
CWTs	10,055	46,124
Prepaid expenses	5,521	6,761
Others	6,706	6,195
	361,149	529,662
Less allowance for ECL on advances to contractors and impairment losses on input VAT	8,719	47,972
	₱352,430	₱481,690

In 2020, BRMC refunded a total amount of ₱34.45 million out of the total applied for VAT refund amounting to ₱39.65 million in 2018. The BIR disallowed input VAT claims amounting to ₱5.20 million (see Note 26).

In 2021, BRMC refunded a total amount of ₱22.79 million out of the total applied for VAT refund amounting to ₱30.17 million in 2019. The BIR disallowed input VAT claims amounting to ₱7.38 million (see Note 26).

In 2022, BRMC refunded a total amount of ₱136.38 million out of the total applied for VAT refund amounting to ₱111.92 million and ₱37.15 million for input VAT in 2021 and 2020. The BIR disallowed input VAT claims amounting to ₱12.69 million (see Note 26).



In 2014, 2015 and 2016, AFC 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, the Company filed a Petition for Review with the CTA En Banc to appeal the denial of the Motion for Partial Reconsideration. As at March 30, 2023, AFC is still awaiting the Court of Tax Appeals' final decision.

Write-off of CWTs amounted to nil, ₱9.48 million and ₱0.01 million in 2022, 2021 and 2020, respectively (see Note 26).

Others include surety bonds and security deposits. Surety bonds pertain to the agreement to guarantee compliance with MGB in putting a trust fund for MOEP 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.

No movement in allowance for ECL on advances to contractors and impairment loss on input VAT in 2021. Movement in allowance for ECL on advances to contractors and impairment loss on input VAT in 2022 are as follows:

	2022		
	Advances to contractors	Input VAT	Total
Balances at beginning of year	₱39,253	₱8,719	₱47,972
Reversals (Note 5)	(39,253)	-	(39,253)
	₱-	₱8,719	₱8,719

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:

	2022	2021
Land	₱1,677,566	₱1,651,264
Artworks	52,139	52,139
	₱1,729,705	₱1,703,403

Land - at revalued amount

The Group adopted the revaluation model and 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 2022 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.

In 2022, the Group recognized revaluation increment on land amounting to ₱26.30 million. Correspondingly, amounts charged to the consolidated statement of comprehensive income amounted to ₱20.70 million, net of deferred tax liability of ₱5.60 million.



In 2021, the Group recognized revaluation increment on land amounting to ₱30.12 million. Correspondingly, amounts charged to the consolidated statement of comprehensive income amounted to ₱22.59 million, net of deferred tax liability of ₱7.53 million.

	2022		
	Cost	Revaluation increment	Total
Balances at beginning of year	₱68,398	₱1,582,865	₱1,651,263
Change in fair value	–	26,302	26,302
Balances at end of year	₱68,398	₱1,609,167	₱1,677,565

	2021		
	Cost	Revaluation increment	Total
Balances at beginning of year	₱68,398	₱1,552,751	₱1,621,149
Change in fair value	–	30,115	30,115
Balances at end of year	₱68,398	₱1,582,866	₱1,651,264

Artworks - at revalued amount

Artworks owned by the Group are stated at revalued amounts. 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, 2022 and 2021.

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, 2022 and 2021, 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:

	2022	2021
Beginning balance	₱1,305,820	₱1,127,236
Revaluation during the year	20,700	22,586
Transfer to retained earnings (Note 11)	(535)	–
Effect of change in tax rate	–	155,998
Ending balance	₱1,325,985	₱1,305,820



b. Property, Plant and Equipment - at cost

	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	-	-	(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



	2021							Total
	Land improvements	Buildings	Machinery, tools and equipment	Mine and mining properties	Port facilities	CIP	Right-of-use of assets	
Cost:								
Beginning balance	₱75,209	₱305,262	₱939,299	₱1,641,130	₱101,517	₱71,292	₱12,293	₱3,146,002
Additions	–	3,475	26,645	10,296	–	444	23,222	64,082
Retirement	–	–	–	–	–	–	(2,849)	(2,849)
Reclassification	–	2,653	28,754	–	–	(31,407)	–	–
Change in estimate of the liability for mine rehabilitation (Note 16)	–	–	–	(9,482)	–	–	–	(9,482)
Ending balance	75,209	311,390	994,698	1,641,944	101,517	40,329	32,666	3,197,753
Accumulated depreciation and depletion:								
Beginning balance	71,556	303,856	918,830	871,668	31,618	–	6,472	2,204,000
Depreciation and depletion (Note 25)	3,653	3,751	54,340	73,601	4,238	–	8,631	148,214
Retirement	–	–	–	–	–	–	(2,849)	(2,849)
Ending balance	75,209	307,607	973,170	945,269	35,856	–	12,254	2,349,365
Net book values	₱–	₱3,783	₱21,528	₱696,675	₱65,661	₱40,329	₱20,412	₱848,388



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 ₱0.16 million, nil and ₱0.04 million in 2022, 2021 and 2020, respectively, from the disposal of property, plant and equipment items resulted in net gain of ₱0.16 million, nil, and ₱0.04 million in 2022, 2021 and 2020, respectively (see Note 26).

The cost of fully depreciated property, plant and equipment still being used in the Group's operations amounted to ₱661.23 million and ₱464.39 million as at December 31, 2022 and 2021, respectively.

Movements in mine and mining properties in 2022 and 2021 are as follows:

	2022			Total
	Mine and mining properties	Mine development cost	Mine rehabilitation asset	
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

	2021			Total
	Mine and mining properties	Mine development cost	Mine rehabilitation asset	
Cost:				
Balances at beginning of year	₱1,513,745	₱9,992	₱117,393	₱1,641,130
Addition	–	10,296	–	10,296
Change in estimate of the liability for mine rehabilitation (Note 16)	–	–	(9,482)	(9,482)
Balances at end of year	1,513,745	20,288	107,911	1,641,944
Accumulated depletion:				
Balances at beginning of year	831,787	–	39,881	871,668
Depletion (Note 25)	70,650	–	2,951	73,601
Balances at end of year	902,437	–	42,832	945,269
Net book values	₱611,308	₱20,288	₱65,079	₱696,675



Movements in right-of-use of assets in 2022 and 2021 are as follows:

	2022				Total
	Office Space	Clinic Space	Land		
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		8,830
Termination	–	–	(955)		(955)
Balances at end of year	14,072	3,924	2,132		20,129
Net book values	₱6,352	₱1,386	₱3,224		₱10,962

	2021				Total
	Office Space	Clinic Space	Machinery, tools and equipment	Land	
Cost:					
Balances at beginning of year	₱1,930	₱2,683	₱1,084	₱6,596	₱12,293
Additions	20,259	2,627	–	336	23,222
Retirement	(1,765)	–	(1,084)	–	(2,849)
Balances at end of year	20,424	5,310	–	6,932	32,666
Accumulated depreciation:					
Balances at beginning of year	1,478	2,530	896	1,568	6,472
Depreciation (Note 15)	6,908	518	188	1,017	8,631
Retirement	(1,765)	–	(1,084)	–	(2,849)
Balances at end of year	6,621	3,048	–	2,585	12,254
Net book values	₱13,803	₱2,262	₱–	₱4,347	₱20,412

10. Deferred Mine Exploration Costs

Movements in deferred mine exploration costs are as follows:

	2022	2021
Balances at beginning of year	₱622,386	₱623,795
Additions	31,221	11,693
Translation adjustment	5,887	3,409
Write-off (Note 26)	–	(16,511)
	659,494	622,386
Less allowance for impairment losses	166,989	166,989
Balances at end of year	₱492,505	₱455,397

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.

No movement in allowance for impairment loss on deferred mine exploration costs in 2022, 2021 and 2020.



11. Investment Properties

	2022	2021
Balances at beginning of year	₱2,910,663	₱2,633,677
Revaluation (Note 26)	85,332	276,986
Disposal	(4,011)	-
Balances at end of year	₱2,991,984	₱2,910,663

Investment properties include parcels of land located in Itogon, Benguet and San Pedro, Laguna.

In April 2022, AFC 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).

The Group engaged an independent appraiser to assess the fair market value of land under investment properties as at December 31, 2022 and 2021, 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:

	2022	2021
Balances at beginning of year	₱1,319,832	₱1,042,846
Revaluation (Note 26)	85,332	276,986
Balances at end of year	₱1,405,164	₱1,319,832

The Group recognized revaluation gain amounting to ₱85.33 million, ₱276.99 million and ₱154.82 million in 2022, 2021 and 2020, respectively, and were included as other income (see Note 26).

Direct operating expenses from these investment properties amounted to nil, ₱0.76 million and ₱0.76 million in 2022, 2021 and 2020, respectively.

12. Other Noncurrent Assets

	2022	2021
Advances to contractors and suppliers	₱397,927	₱140,038
Input VAT - net	158,123	141,940
Mine rehabilitation fund (MRF)	72,156	67,239
Prepaid rent	2,281	2,149
Financial assets at FVOCI	1,709	877
Intangible asset	250	250
Loan receivable (Note 5)	-	261,087
Others	10,677	9,394
	643,123	622,974
Less allowance for ECLs and impairment losses	171,227	220,052
	₱471,896	₱402,922



Advances to contractors and supplies pertain to advances and prepayments for exploration and other related activities and projects that are expected to be settled beyond 12 months from the end of the reporting period.

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 ₱0.74 million, ₱0.05 million and ₱0.16 million in 2022, 2021 and 2020, 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 2022 and 2021 are as follows:

	2022	2021
Balances at beginning of year	₱877	₱13,361
Change in fair value	603	15
Additions	229	–
Reclassification (Note 7)	–	(12,499)
Balances at end of year	₱1,709	₱877

In 2021, the Company reclassified its financial assets measured at FVOCI to FVPL. The carrying value of these financial assets approximates its fair value at the date of reclassification.

The unrealized gain (loss) amounting to ₱0.33 million and ₱0.28 million representing the change in fair value of these financial assets as at December 31, 2022 and 2021 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. 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):

	2022	2021	2020
Balances at beginning of year	(₱275)	₱1,164	₱971
Change in fair value	603	15	193
Transfer of fair value reserve to retained earnings	–	(1,454)	–
Balances at end of year	₱328	(₱275)	₱1,164

As at December 31, 2022 and 2021, the revalued amount of this intangible asset amounted to ₱0.25 million, after revaluation increment of ₱0.14 million, recognized in other comprehensive income. No impairment loss was recognized during the year for this intangible asset.

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.



Movements in allowance for ECL on loans receivable and impairment loss on advances to contractors and suppliers and input VAT in 2022 and 2021 are as follows:

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

2021				
	Loan Receivable	Advances to contractors and suppliers	Input VAT	Total
Balances at beginning of year	₱-	₱151,892	₱-	₱151,892
Provision (Note 26)	-	-	30,251	30,251
Recoveries (Note 26)	-	(11,854)	-	(11,854)
Reclassifications (Note 5)	49,763	-	-	49,763
	₱49,763	₱140,038	₱30,251	₱220,052

13. Loans Payable

	2022	2021
Unsecured loan	₱85,063	₱85,063
Accrued interest and penalties	251,972	251,972
	₱337,035	₱337,035

Unsecured loans

In 2015, BRMC obtained an interest-bearing loan from Trans Middle East Phils. Equities, Inc. amounting to ₱250.00 million. During the same year, BRMC paid ₱65.00 million of the outstanding principal balance, after which the parties agreed that the loan becomes due and demandable. In 2021, BRMC settled this loan in full.

The Parent Company has a 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) foreign loans, plus margin of 2.5%. Remaining balance related to these loans amounted to ₱85.06 million as at December 31, 2022 and 2021.

Total principal payments for these loans amounted to nil, ₱182.32 million, ₱1.37 million in 2022, 2021 and 2020, respectively.

Accrued interest and penalties represent cumulative interest and default charges as at December 31, 2022 and 2021. Total interest expense related to loans payable amounted to nil, ₱2.29 million and ₱2.59 million in 2022, 2021 and 2020, respectively.



14. Trade and Other Payables

	2022	2021
Trade	₱332,612	₱343,727
Nontrade	59,029	92,301
Contract liabilities	47,234	141,220
Output VAT - net	41,527	10,277
Accrued expenses:		
Taxes and licenses	9,883	9,883
Payroll	4,077	5,568
Professional fees and contracted services	730	849
Power and utilities	32,165	18,975
Others	26,797	14,723
Excise taxes and royalties	1,643	4,012
Others	15	27,863
	₱555,712	₱669,398

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.

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:

	2022	2021
Balances at beginning of year	₱351,884	₱406,618
Additions during the year	46,834	140,821
Effect of foreign exchange	(5,599)	11,139
Revenue recognized	(189,207)	(206,694)
	203,912	351,884
Less noncurrent portion (Note 17)	156,678	210,664
Current portion	₱47,234	₱141,220

Nontrade payables represent other operating expenses that are payable to various suppliers and contractors and regulatory agencies which are normally settled within one year.

Accrued expenses pertain to liabilities for professional fees, administrative expenses and payables to officers and employees for unclaimed wages, accrued vacation and sick leave credits and payroll. These are normally settled within 30 days.

Excise taxes and royalties pertain to taxes payable by the Group for its legal obligation arising from the production of mine products.

Others include payables to government and individually insignificant payables, operating and administrative expenses which are normally settled within one year.



15. Lease Commitments

Lease Agreements

Group as a lessee

The Group has lease contracts for various office spaces, clinic spaces, machinery, tools and equipment, and land. The lease term of these lease contracts are ranging from 2 years to 25 years. The renewal of these lease 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:

	2022	2021	2020
Depreciation expense of right-of-use assets included in property, plant and equipment (Note 9)	₱8,829	₱8,631	₱3,646
Expenses related to short-term leases included in selling and general expenses (Note 23)	54,646	66,423	43,717
Expenses related to short-term leases included in cost of services (Note 22)	4,293	3,544	1,655
Interest expense on lease liabilities	1,102	1,596	537
Gain on rent concession (Note 26)	-	(585)	-
Total amount recognized in the consolidated statement of income	₱60,870	₱79,609	₱49,555

The rollforward analysis of lease liabilities follows:

	2022	2021
Balances at beginning of year	₱21,094	₱6,154
Interest expense	1,102	1,596
Termination	(621)	-
Additions	-	23,222
Gain on rent concession (Note 26)	-	(585)
Payments of:		
Interest portion	(1,102)	(1,596)
Principal portion	(8,366)	(7,697)
Balances at the end of the year	12,107	21,094
Less noncurrent portion	5,798	11,913
Current portion	₱6,309	₱9,181



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

	2022	2021
Lease payments due in:		
Less than one year	₱5,190	₱8,634
Between one to five years	4,833	9,106
More than five years	1,978	3,391
Future minimum lease payments	₱12,001	₱21,131

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 to three years. The lease agreements are renewable upon mutual agreement between the Group and its lessees. 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 ₱0.88 million, ₱0.73 million and ₱0.76 million in 2022, 2021 and 2020, respectively (Note 20).

Future minimum rentals receivable under non-cancellable operating leases as at December 31, 2022 and 2021 are as follows:

	2022	2021
1 year	₱259	₱1,597
more than 1 year to 2 years	-	738
more than 2 years to 3 years	-	759
	₱259	₱3,094

16. Liability for Mine Rehabilitation

Movements in this account are as follows:

	2022	2021
Balances at beginning of year	₱60,747	₱105,606
Actual rehabilitation costs	-	(30,958)
Change in estimate:		
Recognized as adjustment to the mine rehabilitation asset (Note 9)	(20,295)	(9,482)
Recognized in consolidated statement of income (Note 26)	16,858	(6,872)
Accretion (Note 26)	1,746	2,453
	59,056	60,747
Less noncurrent portion	48,568	54,174
Current portion	₱10,488	₱6,573



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 Company implemented various activities such as continuous propagation of various seedlings in nurseries and maintenance of its established reforestation areas.

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 (4.34% in 2022 and 2.87% in 2021) and changes in discount rates (4.07% in 2022 and 1.57% 2021).

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

	2022	2021
Contract liabilities (Note 14)	₱156,678	₱210,664
Equity of claimowners in contract operations	49,136	49,136
Deposits for future stock subscription	32,000	32,000
	₱237,814	₱291,800

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

- a. 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, 2022 and 2021, the remaining balance of the advances amounted to US\$2.47 million (₱156.68 million) and US\$3.55 million (₱199.63 million) respectively.

- b. On August 24, 2011, BRMC signed a tri-partite off-take agreement with the Parent Company and a Chinese trading company, for the sale of nickel ore. In accordance with the agreement, the Chinese trading company shall extend a loan of US\$6.00 million to the Parent Company. BRMC will deliver and sell 1,800,000 tons of 1.8% grade laterite nickel ore over a period of 36 months at 600,000 tons per 12 months, to start six months after signing of the agreement. The Chinese trading company will deduct US\$3.33 per ton from the selling price of the nickel ore to be treated as repayment of the loan to the Parent Company.

As at December 31, 2022 and 2021, the remaining advances amounted to nil and \$1.89 million (₱90.76 million), respectively.

Equity of claim owners in contract operations pertain to the outstanding liability of the Parent Company to CMI. Discussions on the settlement of said liability are still on-going as at March 30, 2023.

As at December 31, 2022 and 2021, 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 30, 2023, 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, 2022 and 2021 follows:

	2022		2021	
	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"	375,307,052	375,307	375,307,052	375,307
Common Class "B"	247,963,396	247,963	247,963,396	247,963
Total shares issued and subscribed	623,487,509	₱624,015	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"	374,996,258	368,149	374,996,258	368,149
Common Class "B"	247,926,121	247,105	247,926,121	247,105
Total outstanding shares	623,139,440	₱615,999	623,139,440	₱615,999



No movement in the Parent Company’s authorized and treasury shares in 2022 and 2021. The movement in the Group’s issued shares in 2022 and 2021 are as follows

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 **₱12.48** 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 has increased from ₱785.50 million to ₱830.50 million.

The application for the increase was approved by the stockholders during the annual meeting held on November 8, 2018. As at March 30, 2023, the Parent Company has not yet filed the application for the increase in authorized capital stock with the Philippine SEC.

In 2020, the Parent Company issued 158,999 Common Class A shares and 181,700 Common Class B shares as a result of employees’ exercise of stock options at a total consideration of ₱0.63 million; ₱0.11 million of which were from 55,200 Common Class B at a selling price of ₱1.91 per share and ₱0.53 million from 158,999 Common Class A shares and 126,500 Common Class B shares at an average exercise price of ₱1.78 per share.

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.

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 Preferred shares	50,000,000 6,000,000	3.00 5.00	150,000 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 Common class B Convertible preferred shares	30,000,000 20,000,000 19,652,912	3.00 3.00 3.43	90,000 60,000 67,500
July 27, 1989	Increase in number of common shares Common class A Common class B Convertible preferred shares	120,000,000 80,000,000 19,652,912	3.00 3.00 3.43	360,000 240,000 67,500
September 28, 2015	Increase in number of common shares Common class A Common class B Convertible preferred shares	143,460,000 95,640,000 19,652,912	3.00 3.00 3.43	430,874 287,135 67,500
July 29, 2016	Increase in number of common shares and reduction in par value Common class A Common class B Convertible preferred shares	430,380,000 286,920,000 19,652,912	1.00 1.00 3.43	430,874 287,135 67,500
As at December 31, 2022	Common class A Common class B Convertible preferred shares	430,380,000 286,920,000 19,652,912	₱1.00 1.00 3.43	₱430,874 286,920 67,500

As at December 31, 2022 and 2021, the Parent Company has 16,896 and 16,901 stockholders, respectively.

Other Components of Equity

	2022	2021
Revaluation increment on land and artworks	₱1,325,985	₱1,305,820
Cumulative translation adjustments of foreign subsidiaries	41,400	36,208
Remeasurement gain on pension liability (Note 29)	17,633	10,673
Unrealized gain (loss) on financial assets at FVOCI (Note 12)	328	(275)
Unrealized gain on intangible asset	108	135
	₱1,385,454	₱1,352,561

As at December 31, 2022 and 2021, the Parent Company has 348,069 shares held in treasury amounting to ₱8.02 million at ₱23 per share.



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 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, 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	

		Exercisable share options as at January 1, 2021	Additions	Cancelled/ Expired in 2021	Exercised in 2021	Exercisable share options as at December 31, 2021
Class A	- May 2011 Grant	851,999	-	(420,801)	(431,198)	-
	- September 2012 Grant	306,000	-	-	-	306,000
	- May 2014 Grant	648,000	-	-	-	648,000
	- March 2017 Grant	-	5,048,625	(499,350)	(3,655,600)	893,675
	- March 2021 Grant	-	-	-	-	-
Class B	- May 2011 Grant	613,845	-	(279,669)	(334,176)	-
	- September 2012 Grant	204,000	-	-	-	204,000
	- May 2014 Grant	432,000	-	-	-	432,000
	- March 2017 Grant	-	3,365,750	(332,900)	(2,379,023)	653,827
	- March 2021 Grant	-	-	-	-	-
Total	3,055,844	8,414,375	(1,532,720)	(6,799,997)	3,137,502	

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.

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
	- May 2014 Grant	7.13	2.38
	- March 2017 Grant	1.38	-
	- March 2021 Grant	2.19	-
Class B	- September 2012 Grant	17.63	5.88
	- May 2014 Grant	7.13	2.38
	- March 2017 Grant	1.43	-
	- March 2021 Grant	2.05	-

Average exercise price per share in 2022 and 2021 amounted to ₱1.78 and ₱1.59, respectively. Total number of shares available for future option grants is 37,251,394 shares and 38,784,114 shares as at December 31, 2022 and 2021, respectively.



The change in exercise price of outstanding options is treated as a modification of the Plan terms, which resulted in an additional expense, measured as at the date of modification, for the increase in the total fair value of the outstanding share options. The table below shows the increase in fair value due to the change in the exercise price of each grant:

	At grant date	After effect of stock split	As modified
Class A - May 2011 Grant	₱16.50	₱5.50	₱1.69
- 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 - May 2011 Grant	17.50	5.83	1.91
- 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		

Stock option expense relating to the Plan recognized amounted to ₱2.26 million, ₱13.78 million and nil in 2022, 2021 and 2020, respectively (see Note 24).

A summary of the number of shares under the Plan is shown below:

	2022	2021
Outstanding at beginning of year	6,141,114	3,055,844
Additions	–	11,417,987
Cancellation/Expiration	(1,207,750)	(1,532,720)
Exercised during the year	–	(6,799,997)
Outstanding at end of year	4,933,364	6,141,114
Exercisable at end of year	2,832,836	3,137,502

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
May 3, 2011 Grant	A	16.50	16.50	91.20%	10 years	0.00%	6.46%
	B	17.50	17.50	155.57%	10 years	0.00%	6.46%
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 ₱6.28 million and ₱9.20 million as at December 31, 2022 and 2021, respectively.



20. Revenue

	2022	2021	2020
Revenue from contracts with customers:			
Sale of mine products	₱3,967,002	₱3,787,403	₱1,585,826
Sale of goods and services	55,470	53,756	33,137
Sale of land	1,844	–	–
Total revenue from contracts with customers	4,024,316	3,841,159	1,618,963
Rental income (Note 15)	879	729	762
	₱4,025,195	₱3,841,888	₱1,619,725

Sale of mine products includes sales of nickel, gold, silver and lime, which are subject to 4% excise tax based on gross revenues in 2022, 2021 and 2020.

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 ₱299.75 million, ₱284.28 million and ₱101.03 million in 2022, 2021 and 2020, respectively.

Set out below is the disaggregation of the Group’s revenue from contracts with customers in 2022, 2021 and 2020:

Segments	2022		Total
	Mining	Health Services	
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



	2021		
Segments	Mining	Health Services	Total
Type of product:			
Gold	P942,427	P-	P942,427
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	P3,787,403	P53,756	P3,841,159
Location of customer:			
Within the Philippines	P1,020,926	P53,756	P1,074,682
Outside the Philippines	2,766,477	-	2,766,477
Total revenue from contracts with customers	P3,787,403	P53,756	P3,841,159
Timing of revenue recognition:			
Transferred at a point in time	P3,787,403	P-	P3,787,403
Transferred overtime	-	53,756	53,756
Total revenue from contracts with customers	P3,787,403	P53,756	P3,841,159
	2020		
Segments	Mining	Health Services	Total
Type of product:			
Gold	P700,800	P-	P700,800
Nickel	818,337	-	818,337
Lime	63,160	-	63,160
Silver	3,529	-	3,529
Health services	-	33,137	33,137
Total revenue from contracts with customers	P1,585,826	P33,137	P1,618,963
Location of customer:			
Within the Philippines	P767,489	P33,137	P800,626
Outside the Philippines	818,337	-	818,337
Total revenue from contracts with customers	P1,585,826	P33,137	P1,618,963
Timing of revenue recognition:			
Transferred at a point in time	P1,585,826	P-	P1,585,826
Transferred overtime	-	33,137	33,137
Total revenue from contracts with customers	P1,585,826	P33,137	P1,618,963



21. Costs of Mine Products Sold

	2022	2021	2020
Outside services	₱302,738	₱293,183	₱227,949
Materials and supplies (Note 6)	219,320	154,524	121,788
Power, rent and utilities	107,092	62,700	40,903
Contractor fees	101,447	175,094	166,308
Contractor labor	23,241	13,791	499
Personnel expenses (Note 24)	86,100	99,398	68,827
Depreciation and depletion (Note 25)	54,440	97,372	33,619
Repairs and maintenance	32,370	25,673	22,605
Taxes and licenses	28,315	30,186	26
Smelting, refining and marketing	7,154	7,651	6,604
Travel and transportation	200	172	229
Others	2,882	2,500	1,027
	965,299	962,244	690,384
Net change in benefited nickel ore (Note 6)	5,089	(40,559)	35,388
	₱970,388	₱921,685	₱725,772

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

	2022	2021	2020
Personnel expenses (Note 24)	₱19,604	₱26,092	₱14,269
Materials and supplies (Note 6)	19,259	17,622	7,937
Retainers and consultancy fees	15,458	13,898	8,031
Outside services	9,648	4,517	1,227
Depreciation and depletion (Note 25)	8,534	6,381	3,469
Rent (Note 15)	4,293	3,544	1,655
Professional fees	1,595	1,258	1,226
Travel and transportation	977	429	502
Taxes and licenses	159	139	144
Repairs and maintenance	136	251	152
Others	495	711	555
	₱80,158	₱74,842	₱39,167

Others consist of various direct charges, which are individually insignificant.



23. Selling and General Expenses

	2022	2021	2020
Outside services	₱572,927	₱523,733	₱101,390
Personnel expenses (Note 24)	136,625	156,244	95,664
Rent (Note 15)	54,646	66,423	43,717
Depreciation and depletion (Note 25)	18,240	44,461	17,181
Materials and supplies (Note 6)	44,729	38,684	10,804
Community development programs	53,193	29,480	30,493
Professional fees	35,218	13,239	9,909
Taxes and licenses	26,391	27,272	32,806
Representation	19,818	8,238	11,347
Repairs and maintenance	17,173	6,362	14,217
Communication, light and power	15,075	8,369	6,750
Wharfage fees	10,770	11,068	4,923
Transportation and travel	5,592	2,961	3,089
Freight and handling	3,959	3,631	1,959
Insurance	4,173	1,551	1,046
Subscription and membership fees	2,907	2,784	3,100
Contract labor	63	-	3,333
Provision for impairment losses on receivables - net (Note 5)	-	9,704	-
Others	57,043	31,157	16,662
	₱1,078,542	₱992,281	₱408,390

Others consist of various administrative expenses, which are individually insignificant.

24. Personnel Expenses

	2022	2021	2020
Salaries and wages	₱184,810	₱209,608	₱133,592
Pension expense (Note 29)	14,247	13,280	10,179
Benefits and allowances	41,014	45,068	34,989
Stock option expense (Note 19)	2,258	13,778	-
	₱242,329	₱281,734	₱178,760

Total personnel expenses were distributed as follows:

	2022	2021	2020
Cost of mine products sold (Note 21)	₱86,100	₱99,398	₱68,827
Cost of services and other sales (Note 22)	19,604	26,092	14,269
Selling and general expenses (Note 23)	136,625	156,244	95,664
	₱242,329	₱281,734	₱178,760



25. Depreciation and Depletion

Total depreciation and depletion are composed of the following (see Notes 6 and 9):

	2022	2021	2020
Depreciation	₱39,498	₱74,613	₱38,262
Depletion	41,762	73,601	16,430
	₱81,260	₱148,214	₱54,692

Depreciation and depletion are broken down as follows:

	2022	2021	2020
Cost of mine products sold (Note 21)	₱54,440	₱97,372	₱33,619
Cost of services and other sales (Note 22)	8,534	6,381	3,469
Selling and general expenses (Note 23)	18,240	44,461	17,181
Gold button inventory (Note 6)	46	–	423
	₱81,260	₱148,214	₱54,692

26. Other Income - net

	2022	2021	2020
Gains (losses) on:			
Revaluation of investment properties (Note 11)	₱85,332	₱276,986	₱154,815
Foreign currency exchange	39,676	(9,564)	13,015
Disallowed input VAT (Note 8)	(12,687)	(7,380)	(5,195)
Disposal of property, plant and equipment (Note 9)	157	–	35
Sale of investment properties (Note 11)	619	–	–
Rent concession (Note 15)	–	585	–
Deficiency tax	–	–	(19,596)
Recovery of impairment on loss on advances to contractors (Note 8)	39,253	–	–
Recovery of provision for inventory obsolescence (Note 6)	18,888	–	–
Change in fair value of financial assets at FVPL (Note 7)	18,213	2,389	–
Change in estimate of liability for mine rehabilitation (Note 16)	(16,858)	6,872	(5,290)
Loss on derecognition of CIP (Note 9)	(11,395)	–	–
Recovery of allowance for ECLs - net (Note 5)	6,659	–	–
Interest income (Notes 4, 5 and 12)	2,089	3,293	819
Accretion on the liability for mine rehabilitation (Note 16)	(1,746)	(2,453)	(3,376)
Provision for impairment on other noncurrent assets - net (Note 12)	(938)	(18,397)	–
Write-off of deferred mine exploration costs (Note 10)	–	(16,511)	–
Write-off of CWTs (Note 8)	–	(9,483)	(5)
Others - net	(3,248)	2,754	5,806
	₱164,014	₱229,091	₱141,028



On August 19, 2020, the Parent Company received from the BIR the Final Decision on Disputed Assessment covering various tax assessments in relation to the Parent Company's 2013 deficiency taxes. Immediately on August 26, 2020, the Parent Company filed a Motion for Reconsideration as a protest to the assessment. On September 10, 2020, the Parent Company received the BIR's final assessment and was ordered to settle ₱19.60 million, covering basic taxes, interest and compromise penalties amounting to ₱9.15 million, ₱10.21 million and ₱0.24 million, respectively. In 2020, the Parent Company fully settled the final assessment.

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, 2022 and 2021 and was provided an allowance for the same amount (see Note 5).

28. Related Party Disclosures

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by, or are under common control with the Group, including holding companies, 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.

	2022	2021	2020
Short-term benefits	₱24,102	₱19,025	₱12,389
Post-employment benefits	13,520	5,323	3,479
	₱37,622	₱24,348	₱15,868

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 Parent Company has a funded, noncontributory pension benefit plan, while AFC has an unfunded 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 are as follows:

	2022	2021	2020
Current service cost	₱10,597	₱10,275	₱7,108
Net interest cost	3,650	3,005	3071
Pension expense	₱14,247	₱13,280	₱10,179

Pension liability as at December 31, 2022 and 2021 are as follows:

	2022	2021
Present value of defined benefit obligation	₱102,004	₱99,035
Fair value of plan assets	(45,989)	(25,683)
Pension liability	₱56,015	₱73,352



Movements of remeasurement gain on pension liability recognized in OCI:

	2022	2021
Balances at beginning of year	₱10,673	₱9,590
Gain on remeasurement of pension liability	9,571	240
Tax effect	(2,393)	(60)
Effect of change in tax rate and others	(218)	903
Remeasurement loss on pension liability - net of tax	6,960	1,083
Balances at end of year	₱17,633	₱10,673

Changes in the present value of defined benefits obligation are as follow:

	2022	2021
Balances at beginning of year	₱99,035	₱87,381
Interest cost	4,929	3,210
Current service cost	10,597	10,275
Actuarial gains	(10,544)	(312)
Benefits paid	(2,012)	(1,519)
Balances at end of year	₱102,005	₱99,035

Breakdown of actuarial gains (losses) on defined benefits obligation are as follows:

	2022	2021
Change in financial assumptions	₱13,180	₱10,188
Experience adjustments	(2,636)	(9,876)
	₱10,544	₱312

Fair value of plan assets of the Parent Company follows:

	2022	2021
Balances at beginning of year	₱25,683	₱5,550
Contribution	20,000	20,000
Remeasurement gain	(973)	(72)
Asset return in net interest cost	1,279	205
Balances at end of year	₱45,989	₱25,683

The Parent Company's plan assets are being managed by a trustee bank. The retirement fund includes cash in bank only as at December 31, 2022 and 2021. The Parent Company has no transactions with its retirement fund and the retirement fund has no investments in shares of stocks of the Parent Company.

The Parent Company expects to contribute ₱25.17 million to the defined benefits retirement plan in 2023.



wn below is the maturity analysis of the undiscounted benefit payments as at December 31, 2022 and 2021:

Plan Year	2022	2021
Less than 1 year	₱51,702	₱43,212
More than 1 year to 5 years	39,298	42,005
More than 5 years to 10 years	16,788	14,510
More than 10 years to 15 years	45,820	40,942
More than 15 years to 20 years	129,017	91,678
More than 20 years	652,774	632,349
	₱935,399	₱864,696

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 13-19 years.

The principal assumptions used in determining the pension liability of the Group's plans are shown below.

	2022	2021
Discount rate	6.96% to 7.08%	4.88% to 4.98%
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, 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
	December 31, 2021	
	Increase (decrease)	Present value of the defined benefit obligation
Discount rates	5.88% to 5.98% (+1.00%)	₱92,868
	4.88% to 4.98% (actual)	99,035
	3.88% to 3.98% (-1.00%)	106,640
Salary increase rate	6.00% to 12.00% (+1.00%)	₱106,176
	5.00% to 11.00% (actual)	99,035
	4.00% to 10.00% (-1.00%)	93,142



30. Income Taxes

The provision for current and deferred tax in 2022, 2021 and 2020 include the following:

	2022	2021	2020
Provision for current taxes:			
RCIT	₱413,073	₱364,195	₱23,147
MCIT	138	128	5,968
Effect of change in tax rate	–	(3,236)	–
	413,211	361,087	29,115
Provision for deferred taxes	15,014	11,310	72,768
Total	₱428,225	₱372,397	₱101,883

The components of the Group's deferred tax assets and liabilities are as follows:

	Deferred tax assets – net		Deferred tax liabilities - net	
	2022	2021	2022	2021
<i>Deferred tax assets on:</i>				
Allowance for impairment losses on:				
Inventories	₱2,942	₱–	₱39,153	₱43,875
Trade and other receivables	3,854	3,679	16,180	16,122
Other current assets	–	–	–	9,813
Unrealized foreign exchange loss	106	3,284	55	662
Excess of liability for mine rehabilitation over mine rehabilitation asset	2,881	4,818	–	–
Excess of lease liabilities over ROU asset	69	4	173	145
Amortization of past service cost	–	–	1,383	–
Pension liability	749	699	13,255	17,639
	10,601	12,484	70,199	88,256
<i>Deferred tax liabilities on:</i>				
Unrealized foreign exchange gain	683	660	37	–
Cumulative translation adjustment of foreign subsidiaries	–	–	13,800	12,069
Excess of rental income over receipts	–	–	–	14
Excess of mine rehabilitation asset over liability for mine rehabilitation	–	–	836	5,721
Revaluation increment on property, plant and equipment	–	178	818,952	806,834
Revaluation increment on artworks	–	–	5,786	12,196
	683	838	839,411	836,834
Net deferred tax assets (liabilities)	₱9,918	₱11,646	(₱769,212)	(₱748,578)



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:

	2022	2021	2020
Allowance for inventory loss, impairment loss and others	₱354,280	₱353,936	₱479,647
NOLCO	31,500	60,498	115,655
Share-based payment	6,275	9,198	13,689
Accrued expenses	8,002	8,003	8,002
Excess of lease liabilities over ROU asset	174	387	463
Straight-line amortization of accrued rent	-	250	-
MCIT	345	226	15,007
Liability for mine rehabilitation	-	-	65,236
Asset retirement obligation	-	-	24,564
	₱400,576	₱432,498	₱722,263

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, 2022, the Group has incurred NOLCO before taxable year 2019 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
2019	2019-2021	₱37,347	(₱37,347)	₱-	₱-

As of December 31, 2022, the Group has incurred NOLCO in taxable year 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	₱-	₱-	₱18,636
2021	2022-2026	4,515	-	-	4,515
		₱23,151	₱-	₱-	₱23,151

As of December 31, 2022, 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	₱8,349	₱-	₱-	₱8,349



As of December 31, 2022, the Group has MCIT that can be applied against payment of regular income tax as follows:

Year Incurred	Availment Period	MCIT Applied Previous Year/s	MCIT Expired	MCIT Applied Current year	MCIT Unapplied
2019	2020-2022	₱19	₱-	₱-	₱-
2020	2021-2023	79	-	-	79
2021	2022-2024	128	-	-	128
2022	2023-2025	138	-	-	138
		₱364	₱-	(₱)	₱345

Movements of NOLCO are as follow:

	2022	2021	2020
Balances at beginning of year	₱60,498	₱115,655	₱452,765
Expirations	(37,347)	(18,974)	(34,260)
Additions	8,349	6,279	16,872
Application	-	(42,462)	(319,722)
Balances at end of year	₱31,500	₱60,498	₱115,655

Movements of MCIT are as follow:

	2022	2021	2020
Balances at beginning of year	₱226	₱15,007	₱18,049
Additions	138	128	5,980
Expirations	(19)	(142)	(164)
Effect of change in tax rate	-	(1,475)	-
Application	-	(13,292)	(8,858)
Balances at end of year	₱345	₱226	₱15,007

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:

	2022	2021	2020
Tax computed at statutory rate	₱439,818	₱448,500	₱144,980
Add (deduct) effects of:			
Nondeductible expenses	18,153	94,654	32,645
Nontaxable income	(21,333)	(69,247)	(57,535)
Changes in unrecognized deferred tax assets	(17,247)	(62,746)	(59,976)
Expiration of NOLCO	9,337	4,744	10,278
Interest income subject to final tax	(522)	(823)	(246)
Expiration of MCIT	19	142	164
Effect of change in tax rate	-	(18,919)	-
Application of MCIT	-	(13,292)	(8,858)
Application of NOLCO	-	(10,616)	-
Write-off of inventory allowance	-	-	40,431
	₱428,225	₱372,397	₱101,883



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 2022 and 2021 diluted EPS, the Parent Company considered the effect of stock options outstanding since these are dilutive. In 2019, the diluted EPS did not consider the effect of stock options outstanding since these were anti-dilutive.

	2022	2021	2020
Net income	₱1,331,047	₱1,421,604	₱381,385
Current dividends on preference shares	(60)	(60)	(60)
Adjusted net income	₱1,330,987	₱1,421,544	₱381,325

Number of shares for computation of EPS as a result of stock split:

	2022	2021	2020
<u>Basic EPS</u>			
Weighted average common shares issued	623,270,448	620,919,986	616,687,512
Less: treasury shares	348,069	348,069	348,069
Weighted average common shares outstanding	622,922,379	620,571,917	616,339,443
<u>Diluted EPS</u>			
Weighted average common shares issued	623,270,448	620,919,986	616,687,512
Less: treasury shares	348,069	348,069	348,069
	622,922,379	620,571,917	616,339,443
Convertible preferred shares	2,059,366	2,059,366	2,059,366
Stock options	2,832,836	3,137,502	3,055,844
Weighted average common shares outstanding	627,814,581	625,768,785	621,454,653
Basic EPS	₱2.14	₱2.29	₱0.62
Diluted EPS	₱2.12	₱2.27	₱0.61

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 are comprised of aggregated operating segments of the Group who are 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.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. 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.

	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	
Income (loss) before tax	2,089,909	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 (loss)	₱1,688,657	₱8,099	₱65,102	₱4,648	₱1,765,157	(₱377,535)	1,387,612
Operating assets	₱12,333,482	₱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	(₱1,363,398)
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	₱11,852,791	₱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)	(₱1,591,242)
Other disclosure:							
Capital expenditure	₱39,213	₱1,570	₱11,438	₱332	₱52,553	₱-	₱52,553

2020							
	Mining	Health services	Logistics	Others	Total	Eliminations	Consolidated
Revenue							
External customers	₱1,585,826	₱33,137	₱-	₱762	₱1,619,725	₱-	₱1,619,725
Interest income	811	3	1	4	819	-	819
Inter-segment	-	-	65,127	-	65,127	(65,127)	-
Other income	204,679	668	5,570	1	210,918	(37,008)	173,910
	1,791,316	33,808	70,698	767	1,896,589	(102,135)	1,794,454
Cost and Expenses							
Interest expense	3,130	-	-	-	3,130	-	3,130
Direct costs	714,219	26,712	10,967	477	752,375	(24,524)	727,851
Selling and general expenses	403,009	7,465	12,552	9,550	432,576	(41,367)	391,209
Accretion expense	3,376	-	-	-	3,376	-	3,376
Depreciation, depletion and amortization (Note 25)	105,746	3,503	4,355	7,332	120,936	(66,667)	54,269
Excise taxes and royalty fees (Note 20)	101,026	-	-	-	101,026	-	101,026
Other expenses	24,723	-	5,497	69	30,289	36	30,325
Income (loss) before tax	436,087	(3,872)	37,327	(16,661)	452,881	30,387	483,268
Provision for income tax	89,943	74	11,860	6	101,883	-	101,883
Net income (loss)	₱346,144	(₱3,946)	₱25,467	(₱16,667)	₱350,998	₱30,387	₱381,385
Operating assets	₱10,093,544	₱31,131	₱414,919	₱1,386,702	₱11,926,296	(₱4,553,726)	₱7,372,570
Operating liabilities	(₱2,617,380)	(₱75,897)	(₱365,202)	(₱861,777)	(₱3,945,752)	₱2,203,530	(₱1,742,726)
Other disclosure:							
Capital expenditure	₱34,889	₱-	₱3,229	₱-	₱38,118	₱-	₱38,118

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, 2022, 2021 and 2020 are presented below:

	2022	2021	2020
Customer 1	₱911,594	₱942,427	₱700,800
Customer 2	2,920,734	2,731,975	812,952
	₱3,832,328	₱3,674,402	₱1,513,752

33. Financial Risk Management Objectives and Policies

The Group’s principal financial instruments pertain to unsecured bank loans. The main purpose of these financial instruments is to fund the Group’s operations. The Group has other financial instruments such as cash and cash equivalents, trade receivables, receivable from lessees of bunkhouses, advances to contractors under “other current assets” 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, 2022 and 2021, 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 summarizes the maturity profile of the Group's financial liabilities as of December 31, 2022 and 2021, 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 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

	2022				Total
	On demand	0-90 days	91-365 days	More than one year	
<i>Financial assets</i>					
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		521,418	261,087	-	782,505
FVPL	1,114,611	-	-	-	1,114,611
FVOCI	-	-	-	1,709	1,709
	2,063,753	575,026	261,087	1,709	2,901,575
<i>Financial liabilities</i>					
Loans payable	337,035	-	-	-	₱337,035
Trade and other payables					
Trade	-	332,612	-	-	332,612
Nontrade*	4,038	-	-	-	4,038
Accrued expenses	-	730	58,962	-	59,692
Lease liabilities	-	1,298	3,892	6,811	12,001
Other noncurrent liabilities					
Equity of claimowner incontract operations	-	-	-	49,136	49,136
	341,073	334,640	62,854	55,947	794,514
Net financial assets (liabilities)	₱1,722,680	(₱240,386)	₱198,233	(₱54,238)	₱2,107,061

*Excluding statutory payables

	2021				Total
	On demand	0-90 days	91-365 days	More than one year	
<i>Financial assets</i>					
Cash and cash equivalents					
Cash on hand and in banks	₱552,236	₱-	₱-	₱-	₱552,236
Short-term deposits	-	51,012	-	-	51,012
Trade and other receivables			183,120		183,120
Advances to contractors under "other current assets"	-	-	-	54,638	54,638
Loans receivable under "other noncurrent assets"	-	-	-	211,324	211,324
FVPL	674,977	-	-	-	674,977
FVOCI	-	-	-	877	877
	1,227,213	51,102	183,120	266,839	1,728,184
<i>Financial liabilities</i>					
Loans payable	337,035	-	-	-	₱337,035
Trade and other payables					
Trade	-	343,727	-	-	343,727
Nontrade*	27,050	-	-	-	27,050
Accrued expenses	849	-	33,698	-	34,547
Lease liabilities	-	2,159	6,349	12,497	21,005
Equity of claimowner incontract operations	-	-	-	49,136	49,136
	364,934	345,886	40,047	61,633	812,500
Net financial assets (liabilities)	₱862,279	(₱294,874)	₱143,073	(₱205,206)	₱915,684

*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.

	2022	2021
Cash and cash equivalents		
Cash in banks	₱946,854	₱551,465
Short-term deposits	53,608	51,012
Trade and other receivables	782,505	113,361
Advances to contractors under "other current assets"	-	63,357
Loan receivables under "other noncurrent assets"	-	211,324
	₱1,782,967	₱990,519

Impairment of financial assets

The Group has financial assets consisting of cash and cash equivalents, trade receivables, receivables from lessees of bunkhouses, advances to contractors under "other current assets" and loans receivable under "other noncurrent assets" 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, advances to contractors under "other current assets" and loan receivable under "other noncurrent assets"

The Group provided an allowance for ECLs for these financial assets amounted to ₱124.58 million and ₱163.68 million in 2022 and 2021.

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, 2022

	Current	Past due			Specific Identification	Total
		30 days	60 days	>90 days		
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

As at December 31, 2021

	Current	Past due			Specific Identification	Total
		30 days	60 days	>90 days		
Expected credit loss rate	3%	5%	10%	22%	100%	
Estimated total gross carrying amount at default	₱67,528	₱1,967	₱4,480	₱143,069	₱4,823	₱221,867
	₱2,026	₱98	₱448	₱31,307	₱4,823	₱38,702

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, 2022 and 2021, 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 LIBOR foreign loans, plus a margin of 2.5% for unsecured loans.

	Change in interest rates (in basis points)	Sensitivity of pretax Income
2022	+100	(₱3,370)
	-100	3,370
2021	Change in interest rates (in basis points)	Sensitivity of pretax Income
	+100	(₱3,370)
	-100	3,370



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, 2022 and 2021 follow:

	2022		2021	
	US\$	Peso equivalent	US\$	Peso equivalent
<u>Financial Assets</u>				
Cash in banks	10,586	₱590,858	\$5,476	₱279,221
Trade receivables under "trade and other receivables"	527	29,415	527	26,872
Total monetary assets	11,113	₱620,273	\$6,003	₱306,093

As at December 31, 2022 and 2021, the exchange rates of the Philippine peso to the US\$ based on the Bankers Association of the Philippines are ₱55.82 and ₱50.99, 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, 2022 and 2021 is as follows:

	Change in foreign exchange rate	Income before income tax effect
2022	Strengthens by- 1.80%	₱11,140
	Weaken by -4.80%	(29,775)
2021	Change in foreign exchange rate	Income before income tax effect
	Strengthens by- 0.60%	₱1,852
	Weaken by -2.56%	(7,826)



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.

The table shows the sensitivity to a reasonably possible change in equity prices of quoted equity instruments as at December 31, 2022 and 2021, except equity-linked investments.

2022	Average change in market indices (in percentage)	Sensitivity to equity
	86.33% (86.33%)	₱1 (1)
2021	Average change in market indices (in percentage)	Sensitivity to equity
	13.33% (13.33%)	₱5 (5)

The equity impact is arrived using the reasonably possible change of the relevant market indices and the specific adjusted beta of each stock the Group holds. Adjusted beta is the forecasted measure of the volatility of a security or a portfolio in comparison to the market as a whole.

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 2022, 2021 and 2020. The Group monitors capital using the parent company financial statements. As at December 31, 2022 and 2021, the Group has met its capital management objectives.

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

	2022	2021
Capital stock	₱624,015	₱624,015
Capital surplus	415,110	409,929
Retained earnings	5,353,428	4,021,846
Cost of share-based payment	6,275	9,198
Other components of equity	1,385,454	1,352,561
Treasury shares	(8,016)	(8,016)
	₱7,776,266	₱6,409,533



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, 2022 and 2021 are as follows:

	2022	2021
Total liabilities (a)	₱2,132,810	₱2,339,820
Total equity (b)	7,776,266	6,409,533
Debt-to-equity ratio (a/b)	0.27:1	0.37:1

34. Changes in Liabilities arising from Financing Activities

Movements on the reconciliation of liabilities arising from financing activities are as follows:

	January 1, 2022	Cash flows	Forex movement	Reclassification	Others	December 31, 2022
Loans payable	₱337,035	₱-	₱-	₱-	-	₱337,035
Lease liabilities-current	9,181	(8,366)	-	6,115	(621)	6,309
Lease liability-net of current portion	11,913	-	-	(6,115)	-	5,798
Other noncurrent liabilities	291,800	(56,853)	2,867	-	-	237,814
	₱649,929	(65,219)	₱2,867	₱-	(₱621)	₱586,956

	January 1, 2021	Cash flows	Foreign exchange movement	Additions	Reclassification	Others	December 31, 2021
Loans payable	₱508,998	(₱182,323)	(₱2,680)	₱-	₱-	13,040	₱337,035
Lease liabilities-current	1,678	(7,697)	-	-	(7,437)	(585)	9,181
Lease liability-net of current portion	4,476	-	-	23,222	7,437	-	11,913
Other noncurrent liabilities	391,412	(89,798)	(9,814)	-	-	-	291,800
	₱906,564	(279,818)	(12,494)	₱23,222	₱-	₱12,455	₱649,929

Others include interest expense, accretion expense, and changes in estimate of liability for mine rehabilitation (see Notes 13, 15 and 16).

35. Fair Value Measurement

Fair Values

Fair value is defined as the amount at which a financial instrument can be exchanged in an orderly transaction between market participants at the measurement date.

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, 2022 and 2021:

	Carrying amounts		Fair values	
	2022	2021	2022	2021
Financial Assets:				
FVPL	₱1,114,611	₱674,977	₱1,114,611	₱674,977
FVOCI	1,709	877	1,709	877
Loan receivable	211,324	211,324	211,324	211,324
Financial Liabilities:				
Lease liabilities	₱12,107	21,094	₱14,094	20,042
Loans payable	337,035	337,035	337,035	337,035



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, nontrade under Other Noncurrent Asset 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.

Loan Receivable
The the estimated fair value of loans receivables 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.

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. The fair value of other loans payable is determined by discounting the principal using the 3-month LIBOR rate of 0.58% plus credit spread of 5.42%.

Lease Liabilities
The fair value of lease liabilities is determined based on the discounted value of future cash flows using the interest rate for the remaining lease term.

Fair Value Hierarchy

Set out below is the fair value hierarchy of the Group's assets measured at fair value.

	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	P-	P-	P1,677,565
Artworks at revalued amounts	-	-	52,139
Investment properties	-	-	2,991,984
Financial assets at FVPL	1,114,611	-	-
Financial assets at FVOCI	1,709	-	1,709
Lease liabilities	-	-	14,094
Intangible asset under "Other noncurrent assets"	-	250	-



	2021		
	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	₱–	₱–	₱1,651,264
Artworks at revalued amounts	–	–	52,139
Investment properties	–	–	2,910,663
Financial assets at FVPL	674,977	–	–
Financial assets at FVOCI	877	–	–
Lease liabilities	–	–	20,042
Intangible asset under “Other noncurrent assets”	–	250	–

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 ₱219.68 million (₱212.30 million) and ₱1,110 million (₱1,075 million) as at December 31, 2022 and 2021, respectively.

A 5% increase (decrease) in leeway discount in determining the price of each artwork would increase (decrease) the fair value of artworks by nil (nil) as at December 31, 2022 and 2021.

As at December 31, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021, the Group’s intangible asset under “other noncurrent assets” are 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, 2022 and 2021. There were no transfers between levels in 2022 and 2021.

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.

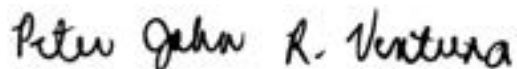


INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

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, 2022 and 2021, and for each of the three years in the period ended December 31, 2022, and have issued our report thereon dated March 30, 2023. Our audits were made for the purpose of forming an opinion on the basic 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 financial consolidated 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

Partner

CPA Certificate No. 0113172

Tax Identification No. 301-106-741

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 113172-SEC (Group A)

Valid to cover audit of 2022 to 2026 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-140-2021, November 10, 2021, valid until November 9, 2024

PTR No. 9566012, January 3, 2023, Makati City

March 30, 2023

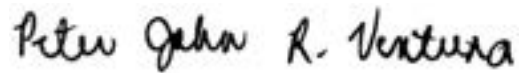


INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, and have issued our report thereon dated March 30, 2023. 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, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



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

SEC Partner Accreditation No. 113172-SEC (Group A)

Valid to cover audit of 2022 to 2026 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-140-2021, November 10, 2021, valid until November 9, 2024

PTR No. 9566012, January 3, 2023, Makati City

March 30, 2023



BENGUET CORPORATION AND SUBSIDIARIES
FINANCIAL RATIOS
PURSUANT TO REVISED SRC RULE 68
DECEMBER 31, 2022

Ratio	Formula	2022	2021														
<u>Profitability Ratios:</u>																	
Return on assets	Net Income divided by total average assets	14.27%	17.63%														
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Net income</td> <td style="text-align: right;">₱1,331,047</td> </tr> <tr> <td>Divided by: Total average asset</td> <td style="text-align: right;">9,329,215</td> </tr> <tr> <td style="border-top: 1px solid black;">Return on assets</td> <td style="text-align: right; border-top: 1px solid black;">14.27%</td> </tr> </table>	Net income	₱1,331,047	Divided by: Total average asset	9,329,215	Return on assets	14.27%										
Net income	₱1,331,047																
Divided by: Total average asset	9,329,215																
Return on assets	14.27%																
Return on equity	Net income divided by total shareholder's equity	17.12%	22.18%														
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Net income</td> <td style="text-align: right;">₱1,331,047</td> </tr> <tr> <td>Divided by: Total shareholder's equity</td> <td style="text-align: right;">7,776,266</td> </tr> <tr> <td style="border-top: 1px solid black;">Return on equity</td> <td style="text-align: right; border-top: 1px solid black;">17.12%</td> </tr> </table>	Net income	₱1,331,047	Divided by: Total shareholder's equity	7,776,266	Return on equity	17.12%										
Net income	₱1,331,047																
Divided by: Total shareholder's equity	7,776,266																
Return on equity	17.12%																
Gross profit margin	Gross profit after excise tax divided by total revenue	66.45%	66.66%														
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Total revenue</td> <td style="text-align: right;">₱4,025,195</td> </tr> <tr> <td>Less: Cost of mine products sold</td> <td style="text-align: right;">970,388</td> </tr> <tr> <td style="padding-left: 20px;">Cost of services and other sales</td> <td style="text-align: right;">80,158</td> </tr> <tr> <td style="padding-left: 20px;">Excise tax and royalties' fees</td> <td style="text-align: right;">299,747</td> </tr> <tr> <td style="border-top: 1px solid black;">Gross profit</td> <td style="text-align: right; border-top: 1px solid black;">1,350,293</td> </tr> <tr> <td>Divided by: Total revenue</td> <td style="text-align: right;">4,025,195</td> </tr> <tr> <td style="border-top: 1px solid black;">Gross profit margin</td> <td style="text-align: right; border-top: 1px solid black;">66.45%</td> </tr> </table>	Total revenue	₱4,025,195	Less: Cost of mine products sold	970,388	Cost of services and other sales	80,158	Excise tax and royalties' fees	299,747	Gross profit	1,350,293	Divided by: Total revenue	4,025,195	Gross profit margin	66.45%		
Total revenue	₱4,025,195																
Less: Cost of mine products sold	970,388																
Cost of services and other sales	80,158																
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Gross profit	1,350,293																
Divided by: Total revenue	4,025,195																
Gross profit margin	66.45%																
Operating profit margin	Operating income divided by total revenue	39.66%	40.83%														
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Total revenue</td> <td style="text-align: right;">₱4,025,195</td> </tr> <tr> <td>Less: Operating costs and expenses</td> <td style="text-align: right;">2,428,835</td> </tr> <tr> <td style="border-top: 1px solid black;">Operating income</td> <td style="text-align: right; border-top: 1px solid black;">1,596,360</td> </tr> <tr> <td>Divided by: Total revenue</td> <td style="text-align: right;">4,025,195</td> </tr> <tr> <td style="border-top: 1px solid black;">Operating profit margin</td> <td style="text-align: right; border-top: 1px solid black;">39.66%</td> </tr> </table>	Total revenue	₱4,025,195	Less: Operating costs and expenses	2,428,835	Operating income	1,596,360	Divided by: Total revenue	4,025,195	Operating profit margin	39.66%						
Total revenue	₱4,025,195																
Less: Operating costs and expenses	2,428,835																
Operating income	1,596,360																
Divided by: Total revenue	4,025,195																
Operating profit margin	39.66%																
Net profit margin	Net profit divided by total revenue	33.07%	37.00%														
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Net income</td> <td style="text-align: right;">₱1,331,047</td> </tr> <tr> <td>Divided by: Total revenue</td> <td style="text-align: right;">4,025,195</td> </tr> <tr> <td style="border-top: 1px solid black;">Net profit margin</td> <td style="text-align: right; border-top: 1px solid black;">33.07%</td> </tr> </table>	Net income	₱1,331,047	Divided by: Total revenue	4,025,195	Net profit margin	33.07%										
Net income	₱1,331,047																
Divided by: Total revenue	4,025,195																
Net profit margin	33.07%																
<u>Liquidity and Solvency Ratios:</u>																	
Current ratio	Total current assets divided by total current liabilities	3.38:1	2.08:1														
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Total current assets</td> <td style="text-align: right;">₱3,432,868</td> </tr> <tr> <td>Divided by: Total current liabilities</td> <td style="text-align: right;">1,015,403</td> </tr> <tr> <td style="border-top: 1px solid black;">Current ratio</td> <td style="text-align: right; border-top: 1px solid black;">3.38</td> </tr> </table>	Total current assets	₱3,432,868	Divided by: Total current liabilities	1,015,403	Current ratio	3.38										
Total current assets	₱3,432,868																
Divided by: Total current liabilities	1,015,403																
Current ratio	3.38																

Ratio	Formula	2022	2021														
Quick ratio	Quick assets divided by total current liabilities	1.76:1	0.96:1														
	<table border="1"> <tr> <td>Total current assets</td> <td>₱3,432,868</td> </tr> <tr> <td>Less: Inventories</td> <td>180,572</td> </tr> <tr> <td>Other current assets</td> <td>1,467,041</td> </tr> <tr> <td></td> <td>1,647,613</td> </tr> <tr> <td>Quick assets</td> <td>1,785,255</td> </tr> <tr> <td>Divided by: Total current liabilities</td> <td>1,015,403</td> </tr> <tr> <td>Quick ratio</td> <td>1.76</td> </tr> </table>	Total current assets	₱3,432,868	Less: Inventories	180,572	Other current assets	1,467,041		1,647,613	Quick assets	1,785,255	Divided by: Total current liabilities	1,015,403	Quick ratio	1.76		
Total current assets	₱3,432,868																
Less: Inventories	180,572																
Other current assets	1,467,041																
	1,647,613																
Quick assets	1,785,255																
Divided by: Total current liabilities	1,015,403																
Quick ratio	1.76																
Solvency ratio	Total assets divided by total liabilities	4.65:1	3.74:1														
	<table border="1"> <tr> <td>Total assets</td> <td>₱9,909,076</td> </tr> <tr> <td>Divided by: Total liabilities</td> <td>2,132,810</td> </tr> <tr> <td>Solvency ratio</td> <td>4.65</td> </tr> </table>	Total assets	₱9,909,076	Divided by: Total liabilities	2,132,810	Solvency ratio	4.65										
Total assets	₱9,909,076																
Divided by: Total liabilities	2,132,810																
Solvency ratio	4.65																
Financial Leverage Ratios:																	
Asset to equity ratio	Total assets divided by total equity	1.27:1	1.37:1														
	<table border="1"> <tr> <td>Total assets</td> <td>₱9,909,076</td> </tr> <tr> <td>Divided by: Total equity</td> <td>7,776,266</td> </tr> <tr> <td>Asset to equity ratio</td> <td>1.27</td> </tr> </table>	Total assets	₱9,909,076	Divided by: Total equity	7,776,266	Asset to equity ratio	1.27										
Total assets	₱9,909,076																
Divided by: Total equity	7,776,266																
Asset to equity ratio	1.27																
Debt ratio	Total liabilities divided by total assets	0.22:1	0.27:1														
	<table border="1"> <tr> <td>Total liabilities</td> <td>₱2,132,810</td> </tr> <tr> <td>Divided by: Total assets</td> <td>9,909,076</td> </tr> <tr> <td>Debt ratio</td> <td>0.22</td> </tr> </table>	Total liabilities	₱2,132,810	Divided by: Total assets	9,909,076	Debt ratio	0.22										
Total liabilities	₱2,132,810																
Divided by: Total assets	9,909,076																
Debt ratio	0.22																
Debt to equity ratio	Total liabilities divided by total equity	0.27:1	0.37:1														
	<table border="1"> <tr> <td>Total liabilities</td> <td>₱2,132,810</td> </tr> <tr> <td>Divided by: Total equity</td> <td>7,776,266</td> </tr> <tr> <td>Debt to equity ratio</td> <td>0.27</td> </tr> </table>	Total liabilities	₱2,132,810	Divided by: Total equity	7,776,266	Debt to equity ratio	0.27										
Total liabilities	₱2,132,810																
Divided by: Total equity	7,776,266																
Debt to equity ratio	0.27																
Interest coverage ratio	Earnings before interest and taxes divided by total interest expense	1,597.44:1	462.42:1														
	<table border="1"> <tr> <td>Income before income tax and interest</td> <td>₱1,760,374</td> </tr> <tr> <td>Divided by: Total interest expense</td> <td>1,102</td> </tr> <tr> <td>Interest coverage ratio</td> <td>1,597.44</td> </tr> </table>	Income before income tax and interest	₱1,760,374	Divided by: Total interest expense	1,102	Interest coverage ratio	1,597.44										
Income before income tax and interest	₱1,760,374																
Divided by: Total interest expense	1,102																
Interest coverage ratio	1,597.44																

BENGUET CORPORATION AND SUBSIDIARIES

INDEX TO THE SUPPLEMENTARY SCHEDULES

FOR THE YEAR ENDED DECEMBER 31, 2022

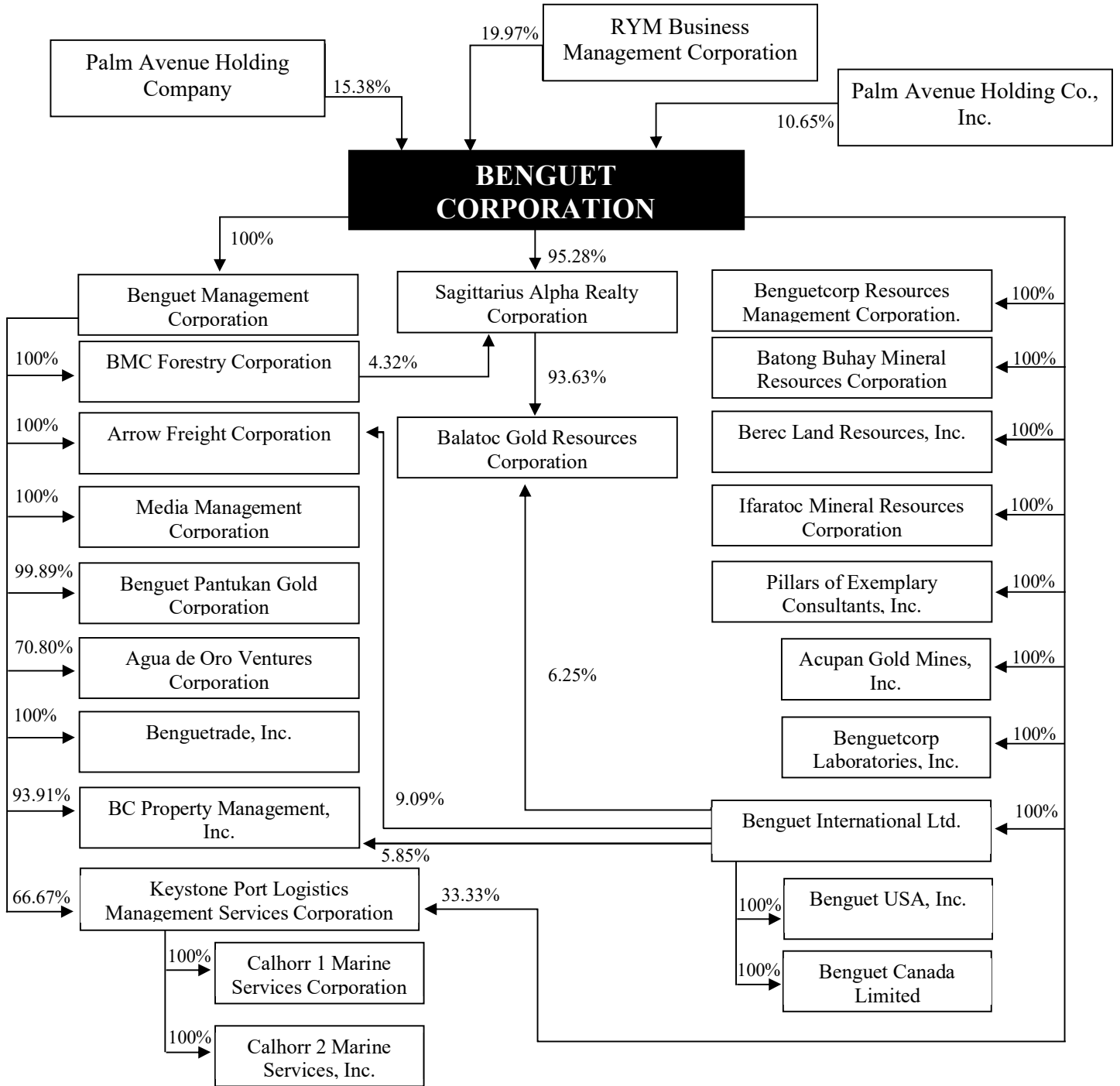
	<u>Schedule</u>
Reconciliation of retained earnings available for dividend declaration	I
A map showing the relationships of the Companies within the Group	II
Supplementary Schedules Required by Annex 68-J	
Financial assets	A
Amounts receivable from directors, officers, employees, related parties and principal stockholders	B
Amounts receivable from related parties which are eliminated during the consolidation of financial statements	C
Long-term debt	D
Indebtedness to related parties	E
Guarantees of securities of other issuers	F
Capital stock	G

SCHEDULE I
RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
As at December 31, 2022
(Amount in Thousands)

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

Unappropriated Retained Earnings, beginning	₱2,970,098
Effect of quasi-reorganization on revaluation increment	(1,010,848)
Accumulated fair value gains of investment properties	(1,405,070)
Adjustment for recognized deferred tax asset	(88,526)
<hr/>	
Unappropriated Retained Earnings, as adjusted to available for dividend distribution, beginning	465,654
<hr/>	
Add: Net income actually earned/ realized during the period	
Net income during the period closed to Retained Earnings	642,025
<hr/>	
Less: Non-actual/unrealized income net of tax	
Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)	
Fair value adjustment of Investment Property resulting to gain	85,331
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRSs	6,495
Subtotal	91,826
<hr/>	
Add: Non-actual losses	
Net decrease in recognized deferred tax asset	15,713
Subtotal	15,713
<hr/>	
Net income actually incurred during the period	565,912
Less:	
Treasury shares	(8,016)
	(8,016)
<hr/>	
TOTAL RETAINED EARNINGS, END AVAILABLE FOR DIVIDEND	₱1,023,550
<hr/>	

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, 2022



SCHEDULE A**BENGUET CORPORATION AND SUBSIDIARIES
FINANCIAL ASSETS
DECEMBER 31, 2022
(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 amortized cost			
A. Cash in banks			
BDO Unibank, Inc.		₱842,632	₱526
Malayan Savings Bank		63,928	40
Metropolitan Bank & Trust Company		28,043	18
Union Bank of the Philippines		69	–
China Banking Corporation		182	–
Philippine National Bank		5,776	4
Equitable PCI Bank		219	–
United Coconut Planters Bank		450	–
Landbank of the Philippines		3,506	2
Others		2,049	1
B. Short Term Deposits			
Malayan Savings Bank		51,362	32
Metropolitan Bank & Trust Company		49	0.19
C. Trade and Other receivables			
Trade		260,511	–
Receivables from lessees of bunkhouses		3,855	–
D. Advances to contractors under “other current assets”			
		(47,971)	–
E. Loan Receivable under “other noncurrent assets”			
		261,087	0.04
F. Financial assets at fair value through profit or loss (FVPL)			
Unit Investment Trust Fund		1,113,464	–
G. Financial assets at fair value through Other Comprehensive Income (FVOCI)			
PLDT, Inc.		521	–
Sherwood Hills Development, Incorporated		–	–
TVI Pacific, Inc.		404	–
		₱2,590,136	₱623.23

SCHEDULE B

BENGUET CORPORATION AND SUBSIDIARIES
AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS
(OTHER THAN RELATED PARTIES)
DECEMBER 31, 2022
(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 <i>SVP - Accounting & Treasurer</i>	₱452	₱-	₱60	₱-	₱392	₱-	₱392
Reynaldo P. Mendoza <i>EVP & Asst. Corporate Secretary</i>	1,272	7	-	-	1,279	-	1,279
Cynthia Lazaro <i>Sec. Mgr - Insurance (Treasury)</i>	554	14	46	-	522	-	522
Sheena Irish Barra <i>Division Manager - Accounting & Budget</i>	233	120	50	-	303	-	303
Camilo Bernaldo <i>Section Mgr - Gov't Liaison (Legal)</i>	-	92	48	-	44	-	44
Eden Barcelona <i>Section Manager-Stockholders Relation Office</i>	111	-	-	-	111	-	111
Pamela Gendrano <i>AVP - Compliance, COMREL & Environmental</i>	13	56	10	-	59	-	59
Lourdes O. Calub <i>Department Manager (Finance)</i>	20	-	-	-	20	-	20
Maricel Ulep <i>Group Asst for SVP-Finance & SVP Nickel Op'n</i>	119	-	-	-	119	-	119
Daisy A. Mejia <i>Department Manager - HR</i>	6	10	-	-	16	-	16

SCHEDULE C

**BENGUET CORPORATION AND SUBSIDIARIES
AMOUNTS RECEIVABLE FROM RELATED PARTIES
WHICH ARE ELIMINATED DURING THE
CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2022
(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.	(P266,125)	P-	P-	P-	(P266,125)	P-	(P266,125)
Balatoc Gold Resources Corporation	78,565	-	-	-	78,565	-	78,565
Benguetrade, Inc.	(32,153)	-	-	-	(32,153)	-	(32,153)
Benguetcorp Laboratories, Inc.	45,851	-	-	-	45,851	-	45,851
Berec Land Resources, Inc.	(35,164)	-	-	-	(35,164)	-	(35,164)
BC Property Management, Inc.	30,543	-	-	-	30,543	-	30,543
Ifaratoc Mineral Resources Corporation	30,102	-	-	-	30,102	-	30,102
Benguet-Pantukan Gold Corporation	29,694	-	-	-	29,694	-	29,694
BMC Forestry Corporation	(27,326)	-	-	-	(27,326)	-	(27,326)
Media Management Corporation	12,183	88,000	-	-	100,183	-	100,183
Arrow Freight Corporation	(4,779)	-	-	-	(4,779)	-	(4,779)
Benguet Management Corporation	100,317	-	-	-	100,317	-	100,317
Agua de Oro Ventures Corporation	12,697	-	-	-	12,697	-	12,697
Keystone Port Logistics Management Services Corporation	18,807	-	-	-	18,807	-	18,807
BenguetCorp International Limited	7,949	107	-	-	8,056	-	8,056
Sagittarius Alpha Realty Corporation	(97,870)	-	-	-	(97,870)	-	(97,870)
Batang Buhay Mineral Resources Corporation	(1)	14,593	-	-	14,592	-	14,592
Acupan Gold Mines, Inc.	(3)	-	(1,933)	-	1,930	-	1,930
Pillars of Exemplary Consultants, Inc.	814	-	-	-	814	-	814
	(P95,899)	P102,700	(P1,933)	P-	P8,734	P-	P8,734

SCHEDULE D

**BENGUET CORPORATION AND SUBSIDIARIES
LONG-TERM DEBT
DECEMBER 31, 2022
(Amounts in Thousands)**

<u>Title of issue and type of obligation</u>	<u>Amount authorized by indenture</u>	<u>Amount shown under the caption 'Current Portion of long-term borrowings' in related balance sheet</u>	<u>Amount shown under the caption 'Long-term borrowings - net of current portion' in related balance sheet</u>
Unsecured loans, including interest	₱326,031	₱326,031	₱-
	₱326,031	₱326,031	₱-

SCHEDULE E

**BENGUET CORPORATION AND SUBSIDIARIES
INDEBTEDNESS TO RELATED PARTIES
(LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2022**

Name of related party	Balance at beginning of period	Balance at end of period	
<table border="1"><tr><td>NOT APPLICABLE</td></tr></table>			NOT APPLICABLE
NOT APPLICABLE			

SCHEDULE F

**BENGUET CORPORATION AND SUBSIDIARIES
GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2022**

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
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NOT APPLICABLE

SCHEDULE G**BENGUET CORPORATION AND SUBSIDIARIES
CAPITAL STOCK
DECEMBER 31, 2022**

The Parent Company's authorized share capital is ₱785.5 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, 2022, shares issued and outstanding totaled 623,139,440 held by 16,991 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	375,307,052	–	–	881,330	374,114,928
Class B	286,920,000	247,963,396	–	–	445,608	247,480,513