COVER SHEET

1	1	3	4	1

SEC Registration Number

BENGUET CORPORATION

(Group's Full Name)

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

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

Mr. Reynaldo P. Mendoza
(Contact Person)

8812-1380
(Group Telephone Number)

12 | **31**
Month *Day*
(Calendar Year)

17-Q
(Form Type)

Month *Day*
(Annual Meeting)

Not Applicable
(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

16,859
Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended: **JUNE 30, 2025**

2. Commission identification number: **11341** 3. BIR Tax Identification No.: **000-051-037-000**

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

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

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

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

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

....

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

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

	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Convertible Preferred Class A	214,788 shares
Common Class A Stock	429,568,838 shares*
Common Class B Stock	286,015,617 shares*

*Net of Treasury Shares

Total consolidated outstanding principal loans payable as of June 30, 2025 - ₱ 0.00 Million

11. Are any or all of the securities listed on a Stock Exchange? Yes [**X**] No [ ]

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

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

Indicate by check mark whether the registrant:

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

Yes [X] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.
Yes [ ] No [X]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.
Financial Statements and, if applicable, Pro Forma Financial Statements meeting the requirements of SRC Rule 68, Form and Content of Financial Statements, shall be furnished as specified therein.

PLEASE REFER TO ANNEX "A" on pages 22 to 45 which are incorporated and form part of this report (SEC Form 17-Q), as follows:

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

A. FINANCIAL PERFORMANCE

<u>2025 SECOND QUARTER VS. 2024 SECOND QUARTER</u>

CONSOLIDATED RESULTS OF OPERATIONS

The Company sustained its strong performance in the second quarter of 2025. Consolidated net income for the second quarter of 2025 jumped by 72.3% to ₱370.5 million, from the net income of ₱215.0 million for the same quarter in 2024. Likewise, the net income for the first six months of 2025, climbed more than 2 times from ₱267.7 million in 2024 to ₱623.9 million in 2025. The increase in net income was the net effect of the following:

Revenues

The Company registered consolidated revenues of ₱1.1 billion for the second quarter and ₱2.1 billion for the first semester of 2025, both higher compared to the revenue of ₱825.2 million and ₱1.3 billion for the same respective periods in 2024. The increases in revenue both for the second quarter and first half of this year are attributed to the continued soaring of price of gold, recovery of nickel prices and higher volume of nickel ore and gold sold during the quarter. BRMC exported 6 boatloads of nickel ore sold during the quarter with aggregate volume of 329,400 tons valued at ₱776.4 million and 13 boatloads with an aggregate volume of 709,170 tons valued at ₱1.5 billion during the first semester of 2025, compared to 7 boatloads with an aggregate volume of 372,660 tons valued at ₱659.6 million and 10 boatloads with an aggregate tonnage of 537,000 tons valued at ₱944.4 million for the first six months period in 2024. Nickel ore was sold at an average price of US$37.63/ton for the first semester of 2025, higher compared to US$30.93/ton for the same period last year. The Acupan Gold Project (AGP) on the other hand, contributed to revenue ₱312.2 million in the second quarter of 2025 and ₱548.7 million year to date, 133% and 92% growth from the previous year's ₱133.92 million and ₱285.8 million. AGP sold 1,699.03 ounces of gold at an average price of US$3,274.14 per ounce in the second quarter of 2025, better than the 1,009.67 ounces of gold sold at an average price of US$2,312.77 in the second quarter of 2024. In the first half of 2025, AGP sold 3,122.98 ox of gold, 35% higher than last year's 2,313.06 oz.

Operating and Other Expenses

Cost and operating expenses in the second quarter this year amounted to ₱639.0 million, higher compared to ₱588.5 million for the same quarter in 2024. For the first semester this year, cost and operating expenses increased by 34% to ₱1.4 billion from ₱1.0 billion for the same period last year. The increase/decrease was the net effect of the following:

Cost of mine products sold increased both for the second quarter and first half this year. The increase was due to the higher shipments of nickel ore.

Cost of merchandise sold, and services increased both for the second quarter and first semester this year. The increase is due to higher shipments of nickel ore handled by the Logistics subsidiaries of the Company.

Selling and general expenses increased both for the second quarter and first semester this year on account of higher volume of nickel ore sold.

Increased in taxes on revenue is attributed to higher revenue from nickel ore shipments.

Other income for the second quarter and first semester this year amounted to ₱194 thousand and ₱22.73million, respectively. Other income this year, came from interest income on money market placements. In contrast, other income for the second quarter and first semester of 2024 amounted to ₱33.2 million and ₱55.9 million, respectively.

Provision for income tax of ₱190.5 million for the first semester this year pertain 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).

<u>Three Months Ended June 30, 2025</u>
<u>Comparative figures for June 30, 2025 and June 30, 2024</u>
Amount in Millions

	2025	**2024**	**Change**	**% of Change**
Revenues	1,120.7	825.2	295.5	35.8%
Cost and Operating Expenses				
Costs of mine products sold	250.7	218.9	31.8	14.5%
Costs of merchandise sold and services	38.8	26.9	11.9	44.2%
Selling and general	267.4	277.5	(10.1)	(3.6%)
Taxes on revenue	82.2	65.2	17.0	26.1%
	639.0	**588.5**	50.5	8.6%
Income (Loss) from Operations	481.7	236.7	245.0	103.5%
Other Income (Expense)				
Interest Income	14.9	5.3	9.6	181.1%
Foreign Exchange gain	(16.0)	10.6	(26.6)	(250.9%)
Miscellaneous – net	1.2	17.3	(16.1)	(93.1%)
	0.2	**33.2**	(33.0)	(99.4%)

Income before income tax	481.9	269.9	212.0	78.5%
Provision for income tax	111.4	54.8	56.6	103.3%
Net Income	370.5	**215.0**	155.5	72.3%

<u>Six Months Ended June 30, 2025</u>
<u>Comparative figures for June 30, 2025 and June 30, 2024</u>
Amount in Millions

	2025	**2024**	**Change**	**% of Change**
Revenues	2,147.4	1,295.3	852.1	65.8%
Cost and Operating Expenses				
Costs of mine products sold	544.9	409.8	135.1	33.0%
Costs of merchandise sold and services	64.1	46.4	17.7	38.1%
Selling and general	587.3	458.2	129.1	28.2%
Taxes on revenue	159.5	97.0	62.5	64.4%
	1,355.8	**1,011.4**	344.4	34.1%
Income (Loss) from Operations	791.6	283.9	507.7	178.8%
Other Income (Expense)				
Interest Income	25.7	7.8	17.9	229.5%
Foreign Exchange gain	(26.8)	25.6	(52.4)	(205%)
Miscellaneous – net	23.9	22.6	1.3	5.8%
	22.7	**55.9**	(33.2)	(59%)
Income before income tax	814.3	339.8	474.5	139.6%
Provision for income tax	190.5	72.0	118.5	164.6%
Net Income	623.9	**267.7**	356.2	133.0%

The 133% increase in net income pushed earnings per share from ₱0.43 to 2024 to ₱0.87 per share as of June 30, 2025.

FINANCIAL CONDITION

Assets
The Company ended the second quarter of 2025 with consolidated total assets of ₱11.4 billion, higher than ₱10.9 billion in 2024. The increase is the net effect of the following:

Cash and cash equivalent increased by 42% primarily from cash generated from operation.

Receivables decreased from ₱741.3 million to ₱686.5 million, from collection of receivables from nickel customers.

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

Decrease in inventories is from the sale of nickel ore and no production of nickel ore in the first quarter this year.

Decrease in other current assets is due to VAT claim for the year 2023.

Deferred mine exploration costs increased from ₱550.5 million to ₱571.0 million. The increase is due to drilling expenses in the Pantingan Gold Prospect in Bataan.

Decrease in deferred tax assets pertain to deferred tax set up on unrealized fair value gain on Unit Investment Trust Fund (UITF).

Increase in other noncurrent assets is attributed to the additional funding of Final Mine Rehabilitation Decommissioning Plan.

Liabilities
Total consolidated liabilities as of June 30, 2025, decreased to ₱1.6 billion from ₱1.7 billion as of December 31, 2025. The decrease was due to the following:

Trade and other payables decreased by 29% from ₱604.3 million to ₱431.9 million. The decrease pertains to payment to various suppliers and contractors.

Decrease in lease liability is due to payment of rentals/leases.

Income tax payable pertain to Benguetcorp Resources Management Corporation income tax liability for the second quarter of 2025.

Equity
Retained earnings increased by 10% from the net income from operation generated this first semester.

Equity increased from ₱9.2 billion in 2024 to ₱9.8 billion from the net income generated during the first semester of this year amounting to ₱623.87 million.

Consolidated Cash Flows
The net cash provided by operating activities for the second quarter and first half of 2025 amounted to ₱259.1 million and ₱779.0 million, respectively. Comparatively, the net cash provided by operating activities in the second quarter and first semester of 2024 amounted to ₱146.9 million and ₱89.9 million, respectively.

For the first semester this year, the Company spent ₱20.5 million in exploration activities, ₱58.0 million in acquisition of property, plant equipment, and ₱71.4 million in other assets. In contrast, the Company spent ₱22.2 million in exploration activities, ₱15.3 million in other assets.

Net cash used in financing activities amounted to ₱543 thousand in the second quarter of 2025. Net cash provided from financing activities for the first half of 2025 amounted to ₱2.7 million. On the other hand, net cash used in financing activities amounted to ₱58.73 in the second quarter and ₱59.8 million for the first semester of 2024. Cash was used to pay outstanding liabilities with LS Networks Co. Ltd and retirement liability**.**

2025 FIRST SEMESTER VS. YEAR ENDED 31 DECEMBER 2024
Comparative Figures for June 30, 2025 and December 31, 2024
Amounts in Millions

	2025	**2024**	**Change**	**% of Change**
Assets				
Current Assets				
Cash and cash equivalent	2,487.3	1,753.7	733.6	41.8%
Trade and other receivables	686.5	741.3	(54.8)	(7.4%)
Inventories	67.4	191.9	(124.5)	(64.9%)
Financial assets at fair value through profit or loss (FVPL)	617.1	704.6	(87.5)	(12.4%)
Other current assets	291.7	368.7	(77.0)	(20.9%)
Total Current Assets	**4,150.1**	**3,760.3**	**389.8**	**10.4%**
Noncurrent Assets				
Property, plant and equipment	2,757.8	2,716.5	41.3	1.5%
Deferred mine exploration costs	571.0	550.5	20.5	3.7%
Investment property	3,324.8	3,324.8	0.0	0%

Deferred tax assets – net	8.6	8.6	0.0	0%
Other noncurrent assets	578.0	506.6	71.4	14.1%
Total Noncurrent Assets	7,240.2	**7,107.0**	133.2	1.9%
Total Assets	**11,390.2**	**10,867.3**	**522.9**	**4.8%**
Liabilities and Equity				
Current Liabilities				
Loans payable	0.0	0.0	0.0	0.0%
Trade and other payables	431.9	604.3	(172.4)	(28.5%)
Lease liabilities – current	6.3	7.1	(0.8)	(11.3%)
Liability for mine rehabilitation – current	4.9	4.9	0.0	0.0%
Income tax payable	102.3	38.8	63.5	163.7%
Total Current Liabilities	**545.4**	**655.1**	**(109.7)**	**(16.7%)**
Noncurrent Liabilities				
Lease liabilities – net of current portion	8.0	8.2	(0.2)	(2.4%)
Liability for mine rehabilitation – net of current portion	48.2	48.2	0.0	0.0%
Pension liability	39.9	39.9	0.0	0.0%
Deferred income tax liabilities – net	826.8	826.8	0.0	0.0%
Other noncurrent liabilities	119.5	119.9	(0.4)	0.3%
Total Noncurrent Liabilities	**1,041.9**	**1,042.9**	**(1.0)**	**(0.1%)**
Total Liabilities	**1,587.3**	**1,698.1**	**(110.8)**	**(7%)**
Equity				
Capital Stock	716.7	714.3	2.4	0.3%
Capital Surplus	689.2	686.6	2.6	0.4%
Cost of Share-Based payment	8.2	8.2	0.0	0.0%
Other components of equity	1,573.3	1,568.4	4.9	0.3%
Retained earnings	6,823.6	6,199.7	623.9	10.1%
Treasury shares	(8.0)	(8.0)	0.0	0.0%
Total Equity	**9,802.9**	**9,169.2**	**633.7**	**6.9%**
Total Liabilities and Equity	**11,390.2**	**10,867.3**	**522.9**	**4.8%**

OPERATIONAL REVIEW

Mining

Acupan Gold Project (AGP)

On the back of the continued soaring price of gold, AGP reported a strong profit in the second quarter and first semester this year. Pre-tax income of ₱78.1 million this quarter was six times higher than the pre-tax income of ₱13.0 million in the same period in 2024. Pre-tax income for the first semester amounted to ₱137.7 million, 137% higher than the pre-tax income of ₱16.3 million in the same period in 2024.

AGP reported higher revenue for the second quarter and first half of 2025. Net revenue for the second quarter and first half of 2025 amounted to ₱312.5 million and ₱548.7 million, respectively, both higher compared to ₱133.7 million and ₱285.5 million for the same respective periods in 2024. Increase in revenues was due to higher volume and price of gold sold this year. AGP sold 1,699.03 ounces for the second quarter and 3,122.98 ounces for the first semester in 2025. On the other hand, AGP sold 1,009.67 ounces and 2,313.06 ounces for the same respective periods in 2024. Average price of gold in the second quarter of 2025 rose to US$3,274.14 per ounce from US$2,312.77 per ounce for the same quarter in 2024. Likewise, for the six months period this year, the average price of gold went up to US$3,080.45 per ounce from US$2,181.88 for the same period last year.

Gold production in the second quarter and first half of 2025 reached 1,570.98 ounces and 3,035.60 ounces, respectively, higher compared to 1,032.71 ounces and 2,175.79 ounces for the same respective periods in 2024. Increase in production was due to higher volume of ore milled this year. AGP milled a combined 6,922.96 tons at average mill head of 8.67 grams per ton in the second quarter, higher compared to 4,307.21 tons with an average mill head of 8.79 grams per ton for the same quarter in 2024. Likewise, for the first semester, AGP milled a combined 13,189.67 tons at an average mill head of 8.22 grams per ton, compared with 9,421.18 tons at an average mill head of 8.16 grams per ton in the same period in 2024.

AGP is continuously studying its plan to mine below Level 2000 on level-by-level approach.

On the Balatoc Tailings Project, search for modern technologies that will yield higher recovery of gold is still on-going. Previous study conducted using ultra fine grinding will yield only 63% recovery.

AGP is continuously reviewing its security and safety programs to protect its property from intrusion of illegal miners/squatters and accident in the area. To implement its new security plan and program, AGP engaged another security agency.

Sta. Cruz Nickel Project (SCNP)

SCNP under its wholly owned subsidiary Benguetcorp Resources Mineral Corporation (BRMC), likewise reported significant revenue growth year on year. Revenue during the second quarter and first semester of 2025 amounted to ₱776.4 million and ₱1.5 billion, respectively, higher than ₱659.6 million and ₱944.39 million for the same respective periods in 2024.

The increase is attributed to higher volume and higher price of nickel ore sold during the quarter and first half of this year. SCNP exported six boatloads of nickel ore aggregating 329,400 tons of 1.25% to 1.5% nickel in the second quarter of 2025 versus seven boatloads of nickel ore aggregating 372,660 tons of 1.4% nickel for the same quarter last year. For the first semester this year, thirteen boatloads were sold aggregating 709,170 tons of 1.25% to 1.5% nickel against ten boatloads aggregating 537,000 tons of 1.35% to 1.45% nickel for the same period last year. Nickel ore was sold at an average price of US$37.62/ton for the first semester of 2025, higher compared to US$30.92/ton for the same period last year. Net income for the second quarter amounted to ₱280.2 million, more than double than the net income of ₱121.1 million for the same quarter in 2024. For the first half of 2025, net income of ₱415.3 million is almost three times higher than the net income of ₱154.7 million for the same period in 2024.

Irisan Lime Project (ILP)

The Company's ILP generated ₱20.9 million revenue for the second quarter this year, slightly higher than ₱20.0 million for the same period in 2024. For the six-month period of 2025, revenue decreased by 9% to ₱40.6 million from ₱44.3 million for the same period in 2024. Decrease in revenue is attributable to lower volume of lime sold in 2025. For the first half of 2025, ILP sold 2,584 metric tons lower against 2,821 metric tons of lime sold in the same period in 2024. Pre-tax income for the second quarter and first semester of 2025 amounted to ₱3.6 million and ₱8.6 million, respectively, comparable to the pre-tax income for the same respective periods in 2024 amounted to ₱3.5 million and ₱8.8 million, respectively.

Benguet Antamok Gold Operation (BAGO)

Having obtained the approval of its Final Mine Rehabilitation and Decommissioning Plan (FMRDP) from the Mines and Geosciences-Cordillera Administrative Region (MGB-CAR) and the Contingent Liability and Rehabilitation Fund Steering Committee (CFLRSC), the Benguet Antamok Gold Operations (BAGO) continues to implement its environmental protection and enhancement programs under the Care and Maintenance Program (CMP). BAGO continuously implemented activities related to nursery maintenance, seedling propagation, reforestation, greening initiatives, water quality monitoring, watershed protection, and the maintenance of environmental structures. The Company has submitted its first year work and financial program for the remaining FRMDP fund for evaluation and approval by CLFRSC prior to implementation.

The FMRDP is instrumental in ensuring the implementation of its activities geared towards the sustainability of previously operated mine site areas. For the quarter in review, the Company spent ₱0.09 million for the care and maintenance of BAGO.

EXPLORATION, RESEARCH AND DEVELOPMENT

Pantingan Property Gold Prospect

The Pantingan property, located in Bataan peninsula, is covered by MPSA No. 154-2000-III. It remains to be a viable prospect for epithermal gold mineralization and aggregates. During the quarter, the Company continued to implement the Phase 2 drilling program upon showing of encouraging results from earlier drilling data and to continue to further trace the lateral extension of the interpreted potential veining systems in the project area. Three drill holes are still in progress. Other accompanying works undertaken with the drilling operation were geological mapping and sampling, opening and maintenance of more access roads and drill pads, hole to hole transfer and mobilization of the drill-rigs coring operation, hauling of core-boxes, quick structural logging of cores, cutting of cores into halves and sampling.

Aggregates Prospect

On the aggregates prospect, the Company continues its permitting activities including permit for road-right-of-way in the 30 hectares Quarry Permit Area (QPA) outside the MPSA. Permit of 6 QPAs areas are in the final stages. The large-scale quarry in PAB-1 and 2 still needs drilling for Declaration of Mining Project Feasibility (DMPF). In the QPA area, the MGB has issued area clearance while the NCIP has issued Certificate of Non-Overlap (CNO) and the Environment and Management Bureau (EMB) has approved and released the ECC. The Company is working on LGU consent, tree inventory for Tree Cutting Permit. Upon completion of the requirements for 6QPAs, the Company will proceed on permitting of another 8 QPAs.

Zamboanga Gold Prospect

The property is about 150 kilometers from Zamboanga City and is covered by Exploration Permit No. EP-012-2023-IX. The Company has an operating agreement with Oreline Mining Corporation to explore and operate the property comprising of 399.0288 hectares. The Company continues the implementation of the Exploration Work Program submitted to MGB region IX and will soon be preparing a resource report for DMPF.

Surigao Coal Project

The Company is holding a coal property in Surigao del Sur through a Royalty Agreement with Diversified Mining Company. The property consists of 12-coal blocks with a total area of 12,000 hectares. Six-(6) coal blocks were extensively explored by way of mapping, trenching, drilling, electrical logging and topographic surveying. The ground evaluation works of the Company resulted in the delineation of resource consisting of seven (7) coal seams of lignitic to sub-bituminous coal quality (steam grade). In the Company's application for a new Coal Operating Contract (COC), the Department of Energy (DoE) has declared it has passed the required bidding process. The Company awaits for the issuance of the new COC subject to FPIC compliance. Market prospects for local coal with low BTU remains to be a concern, considering DoE's preference for clean energy and global shift to net-zero emissions.

Asiga Copper and Gold Prospect

The property is located in Municipality of Santiago, Agusan Del Norte and covered by Exploration Permit Application No. 000259-XIII. The Company signed an operating agreement with Asiga Mining Corporation to explore and operate the property consisting of 3,483 hectares claim holdings. The Company is in the process of complying with the documentary requirements of the Exploration Permit (EP) application denominated as EXPA-000259-XIII (conversion from APSA-00001-XIII).

SUBSIDIARIES AND AFFILIATES

Logistics

Arrow Freight and Construction Corporation (AFCC)

AFCC, the logistics provider of the Company generated revenue of ₱38.9 million for the second quarter and ₱76.2 million for the first half this year, higher as compared to the revenues of ₱29.1 million and ₱50.8 million for the same periods in 2024. The revenue this quarter was derived from the ore loading and hauling contract amounting to ₱10.2 million, earth moving contract ₱15.3 million and the management fees of ₱11.7 million earned for providing and supervising BRMC-needed earthmoving equipment and dump trucks for its various mining activities. Net income for the second quarter this year amounted to ₱9.5 million, lower versus net income of ₱12.0 million for the same period in 2024. Net income for the first half of 2025 amounted to 27.6 million, higher compared to ₱21.1 million for the same period in 2024.

AFCC will continue to oversee the dredging activities in the Candelaria Port in October 2025.

Likewise, AFCC is now preparing for its first construction project in La Union. AFCC was tapped by BMC Forestry Corporation to manage the Land Development of its Woodspark Expansion Project in La Union.

Keystone Port Logistics and Management Services Corporation (KPLMSC)

KPLMSC, the port and barging services provider of the Company reported revenue of ₱25.0 million for the second quarter and ₱54.7 million for the first half this year, compared to the revenue of ₱29.4 million and ₱41.9 million for the same respective periods last year. Increase in revenues is on account of the higher tonnage of nickel ore exports managed from 537,000 tons in the first semester of 2024 to 709,170 tons for the same period in 2025.

Net income for the second quarter and first semester of 2025 amounted to ₱14.3 million and ₱29.0 million, respectively, against the net income of ₱13.6 million and ₱16.1 million for the same respective periods in 2024.

Dredging of the Candelaria Port will continue in October 2025 and expected to be completed as soon as the issue on transferring of dredge materials is resolved.

Real Estate

BMC Forestry Corporation (BFC)

BFC reported a net income of ₱536 thousand for the first half in 2025, lower compared to net income of ₱621 thousand for the same period in 2024. BFC continues to receive monthly installment payments from the sale of Woodspark Subdivision lots and is in the process of selling the remaining three lots, covering a total area of 1,043 square meters, with a combined valuation of ₱5.3 million.

BFC acquired a 6-hectare property in the Province of La Union for its Woodspark expansion. The land development is expected to commence in October 2025.

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

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 are continuing programs.

Assessment and evaluation of areas for the agroforestry component of KEP including determination of potential areas for land development, site preparation and sourcing of spring to supply water needs of the project are in progress.

Healthcare

Benguetcorp Laboratories, Inc. (BCLI)

BCLI reported revenue of ₱13.4 million for the second quarter and ₱23.5 million for the first half this year, higher versus ₱10.6 million and ₱20.7 million for the same periods last year. BCLI reported net income of ₱3.2 million for the second quarter of 2025, higher against ₱643 thousand net income for the same quarter last year. For the same reason, net income for the first half of 2025 amounted to ₱3.7 million, three times higher compared to net income of ₱1.2 million for the same period of 2024.

BCLI Center Mall Clinic in Baguio City has been experiencing losses since the pandemic in 2021. To mitigate further losses, the management recommended the closure of the clinic. The permanent closure was approved by the Board of Directors on January 15, 2025.

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 (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 available for the project.

B. FINANCIAL PERFORMANCE

2024 SECOND QUARTER VS. 2023 SECOND QUARTER

CONSOLIDATED RESULTS OF OPERATIONS

Consolidated net income for the second quarter of 2024 amounted to ₱215.0 million, over six times the net income of ₱30.0 million in the same quarter in 2023. Net income for the first six months of 2024, however, declined from ₱438.6 million in 2023 to ₱267.7 million in 2024. The increase/decrease in net income was the net effect of the following:

Revenues

Consolidated revenues in the second quarter of 2024 rose to ₱825.2 million more than twice the ₱344.0 million revenue in the same quarter in 2023. The increase in 2024 is attributed to the seven boatloads of nickel ore sold during the quarter and the positive performance of the Acupan Gold Project in Itogon Province after restructuring its operation effective March 2024. For the first half of year 2024, consolidated revenues amounted to ₱1.3 billion, 19% lower compared to ₱1.6 billion for the same period in 2023. The decrease was due to lower price of nickel and lower volume of nickel ore sold in 2024. BRMC sold ten boatloads of nickel ore with aggregate volume of 537,000 tons valued at ₱944.4 million compared to eleven boatloads of nickel ore with aggregate volume of 586,294 tons valued at ₱1.2 billion for the first semester of 2023. For June 2024, nickel ore was sold at an average price of US$30.938/ton versus US$38.313/ton in 2023

Operating and Other Expenses

Cost and operating expenses in the second quarter in 2024 amounted to ₱588.7 million, higher compared to ₱352.2 million for the same quarter in 2023. For the first semester in 2024, cost and operating expenses decreased by 4% against ₱1,054.2 million for the same period in 2023. The increase/decrease was the net effect of the following:

Cost of mine products sold increased by 62% during the quarter of 2024. The increase was due to higher volume of nickel ore exported in 2024.

Cost of merchandise sold, and services increased both for the second quarter of 2024 and first semester of 2024. The increase is due to higher volume of nickel shipments managed by the Logistics Subsidiaries of the Company.

Selling and general expenses increased both for the second quarter and first semester of 2024, on account of higher volume of nickel ore sold.

Decrease in taxes on revenue in 2024 is attributed to lower revenue from nickel ore shipments on account of lower nickel price.

Other income for the second quarter and first semester in 2024 amounted to ₱33.2 million and ₱55.9 million, respectively. Comparatively, other income for the second quarter and first semester of 2023 amounted to ₱41.3 million and ₱28.6 million, respectively. Other income for the second quarter and first semester in 2024 came from the foreign exchange gain on the Company's export of nickel ore exports.

Provision for income tax of ₱72.1 million for the first semester of 2024 pertains to the regular corporate income tax of Benguet Corporation (BC), Benguetcorp Resources Management Corporation (BRMC), Arrow Freight and Construction Corporation (AFCC), Keystone Port Logistics and Management Services Corporation (KPLMSC) and BMC Forestry Corporation (BFC).

<u>Three Months Ended June 30, 2024</u>
<u>Comparative figures for June 30, 2024 and June 30, 2023</u>
Amount in Millions

	2024	**2023**	**Change**	**% of Change**
Revenues	825.2	344.0	481.2	139.9%
Cost and Operating Expenses				
Costs of mine products sold	218.9	135.5	83.4	61.5%
Costs of merchandise sold and services	26.9	17.8	9.1	51.1%
Selling and general	277.5	177.2	100.3	56.6%
Taxes on revenue	65.2	21.7	43.5	200.5%
	588.5	**352.2**	**236.3**	**67.1%**
Income (Loss) from Operations	236.7	(8.2)	228.5	(2,786.6%)
Interest Expense	0	0.0	(0.0)	(0.0%)
Other Income (Expense)				
Interest Income	5.3	1.2	4.1	341.7%
Foreign Exchange gain	10.6	17.5	(6.9)	(39.4%)
Miscellaneous – net	17.3	22.7	(5.4)	(23.8%)
	33.2	**41.3**	**(8.1)**	**(19.6%)**
Income before income tax	269.9	33.1	236.8	715.4%
Provision for income tax	54.8	3.1	51.7	16.7%
Net Income	**215.0**	**30.0**	**185.0**	**616.%**

<u>Six Months Ended June 30, 2024</u>
<u>Comparative figures for June 30, 2024 and June 30, 2023</u>
Amount in Millions

	2024	**2023**	**Change**	**% of Change**
Revenues	1,295.3	1,603.2	(307.9)	(19.2%)
Cost and Operating Expenses				

Costs of mine products sold	409.8	342.4	67.4	19.7%
Costs of merchandise sold and services	46.4	45.2	1.2	2.6%
Selling and general	458.2	544.3	(86.1)	(15.8%)
Taxes on revenue	97.0	122.3	(25.3)	(20.7%)
	1,011.4	**1,054.2**	**(42.8)**	**(4.1%)**
Income (Loss) from Operations	283.9	548.8	(264.9)	(48.3%)
Interest Expense	0.0	0.3	(0.3)	(100.0%)
Other Income (Expense)				
Interest Income	7.8	1.9	5.9	310.5%
Foreign Exchange gain	25.6	3.4	22.2	652.9%
Miscellaneous – net	22.6	23.2	(0.6)	(2.6%)
	55.9	**28.6**	**27.3**	**95.4%**
Income before income tax	339.8	577.2	(237.4)	(41.1%)
Provision for income tax	72.0	138.6	(66.6)	(48.0%)
Net Income	**267.7**	**438.6**	**(170.9)**	**(39.0%)**

FINANCIAL CONDITION

Assets

The Company ended the second quarter of 2024 with consolidated total assets of ₱10.44 billion, higher than the ₱10.34 billion total assets in 2023. The increase is the net effect of the following:

Increase in Financial Assets at Fair Value through Profit and Loss (FVPL) pertains to increase in fair value of UITF.

Decrease in inventories is due to the sale of nickel ore.

Other current assets increased to ₱748.5 million from ₱660.6 million due to additional input tax from various purchases of goods and services and increase in short term investments.

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 additional long-term investments.

Liabilities

Total consolidated liabilities as of June 30, 2024, decreased to ₱1.8 billion from ₱1.97 billion as of December 31, 2023. The decrease was due to the following:

Trade and other payables decreased by 27% to ₱371.95 million from ₱507.8 million in 2023 due to payment of various payables to suppliers and contractors.

Decrease in lease liability is due to payment of rentals/leases.

Decline in income tax payable is attributed to payment of year 2023 liability of ₱33.3 million.

Pension liability slightly decreased due to payment of retirement liability.

Increase in Deferred Income tax Liabilities pertain to deferred income tax in relation to the increase to Fair Value of UITFs.

Other noncurrent liabilities decreased by 31% to ₱128.4 million from ₱185.7 million in 2023 due to payment of advances from nickel off-taker.

Equity

Retained earnings increased by 5% from the net income from operation generated the first semester of 2024.

Equity increased from ₱8.4 billion in 2023 to ₱8.6 billion arising from net income generated during the first semester of 2024 amounting to ₱267.7 million.

Consolidated Cash Flows

The net cash provided by operating activities for the second quarter and first half of 2024 amounted to ₱146.9 million and ₱89.9 million, respectively. On the other hand, the net cash used by operating activities in the second quarter of 2023 amounted to ₱277.5 million while the net cash provided for the first semester amounted to ₱224.7 million.

For the first semester of 202, the Company spent ₱22.2 million in exploration activities, and ₱15.3 million in other assets. In comparison, the Company spent ₱22.9 million in exploration activities, ₱25.0 million in acquisition of property, plant equipment, ₱21.9 million in other assets and placed ₱126.5 million in UITF in the first half of 2023.

Net cash used in financing activities amounted to ₱58.7 million in the second quarter of 2024 and ₱59.8 million for the first semester of 2024. Payments were made on the outstanding liabilities with LS Networks Co., Ltd. and retirement liability.

2024 FIRST SEMESTER VS. YEAR ENDED 31 DECEMBER 2023
Comparative Figures for June 30, 2024 and December 31, 2023
Amounts in Millions

	2024	**2023**	**Change**	**% of Change**
Assets				
Current Assets				
Cash and cash equivalent	772.8	774.2	(1.4)	(0.2%)
Trade and other receivables	753.4	746.7	6.7	(0.9%)
Inventories	215.2	248.0	(32.8)	(13.2%)
Financial assets at fair value through profit or loss (FVPL)	1,357.2	1,328.8	28.4	2.1%
Other current assets	748.5	660.6	87.9	13.3%
Total Current Assets	**3,847.2**	**3,758.2**	**89.0**	**2.4%**
Noncurrent Assets				
Property, plant and equipment	2,536.1	2,566.5	(30.4)	(1.2%)
Deferred mine exploration costs	542.5	520.4	22.1	4.2%
Investment property	2,997.9	2,997.9	0.0	0.0%
Deferred tax assets – net	5.6	5.6	0.0	0.0%
Other noncurrent assets	508.7	488.9	19.8	4.0%
Total Noncurrent Assets	**6,590.8**	**6,579.4**	**11.4**	**0.2%**
Total Assets	**10,438.0**	**10,337.6**	**100.4**	**0.9%**
Liabilities and Equity				
Current Liabilities				
Loans payable	339.2	339.2	0.0	0.0%
Trade and other payables	371.9	507.8	(135.9)	(26.8%)
Lease liabilities – current	3.6	4.2	(0.6)	(14.2%)

Liability for mine rehabilitation – current	17.6	17.8	(0.2)	(1.1%)
Income tax payable	47.4	33.3	14.1	42.3%
Total Current Liabilities	**779.8**	**902.4**	**(122.6)**	**(13.6%)**
Noncurrent Liabilities				
Lease liabilities – net of current portion	4.1	4.1	0.0	0.0%
Liability for mine rehabilitation – net of current portion	44.3	44.3	0.0	0.0%
Pension liability	56.5	58.2	(1.7)	(2.9%)
Deferred income tax liabilities – net	787.3	775.9	(11.4)	(1.5%)
Other noncurrent liabilities	128.4	185.7	(57.3)	(30.9%)
Total Noncurrent Liabilities	**1,020.7**	**1,068.2**	**(47.5)**	**(4.4%)**
Total Liabilities	**1,800.5**	**1,970.6**	**(170.1)**	**(8.6%)**
Equity				
Capital Stock	624.3	624.3	0.0	0.0%
Capital Surplus	415.5	415.5	0.0	0.0%
Cost of Share-Based payment	8.1	8.1	0.0	0.0%
Other components of equity	1,422.3	1,419.5	2.8	0.2%
Retained earnings	6,175.3	5,907.6	267.7	4.5%
	8,645.5	8,375.0	270.5	3.2%
Treasury shares	(8.0)	(8.0)	0.0	0.0%
Total Equity	**8,637.5**	**8,367.0**	**270.5**	**3.2%**
Total Liabilities and Equity	**10,438.0**	**10,337.6**	**100.4**	**1.0%**

OPERATIONAL REVIEW

Mining

Acupan Gold Project (AGP)

The restructuring of operation implemented in March 2024, improved AGP's performance in the second quarter of 2024.

AGP reported higher revenue for the second quarter of 2024 amounting to ₱133.2 million compared to ₱119.8 million for the same quarter in 2023. For the first half of 2024, revenue amounted to ₱285.8 million slightly lower against ₱288.4 million for the same period in 2023. Despite the lower volume of gold sold during the period, revenue increased due to higher price of gold. AGP sold 1,009.67 ounces for the second quarter and 2,313.06 ounces for the first semester in 2024. In contrast, AGP sold 1,074.08 ounces and 2,691.39 ounces for the same respective periods in 2023. Average price of gold in the second quarter 2024 rose to US$2,312.77 per ounce from the US$1,998.86 per ounce for the same quarter in 2023. Likewise, for the six months period of 2024, the average price of gold increased to US$2,181.88 per ounce from US$1,933.63 per ounce for the same period in 2023.

AGP milled 4,307 DMT with average mill grade of 8.79 grams per ton for the second quarter of 2024, lower compared to 6,700 DMT with average mill grade of 5.91 grams per ton for the same quarter in 2023. For the first semester of 2024, AGP milled 9,421 DMT with average mill grade of 8.95 grams per ton versus 14,841 DMT with average mill grade of 6.59 grams per ton for the same period in 2023. Pre-tax income of ₱12.96 million for the second quarter and ₱16.3 million for the first semester of 2024, is a turnaround from the pre-tax loss of ₱18.6 million and ₱4.6 million for the same respective periods in 2023.

Management is continuously reviewing its development and production plan with the objective of finding new areas that will yield higher volume and better grade of gold. Likewise, AGP is continuously reviewing its security and safety program to prevent the intrusion of illegal miners/squatters and occurrence of accidents in the area.

Sta. Cruz Nickel Project (SCNP)
The Sta. Cruz Nickel Operation in Zambales under its wholly owned subsidiary Benguetcorp Resources Management Corporation (BRMC), reported higher revenue in the second quarter and lower revenue in the first semester of 2024 compared to the same periods in 2023. Revenue for the second quarter amounted to ₱659.6 million more than three (3) times the ₱188.1 million revenue for the same period in 2023. For the first half of 2024, revenue decreased by 21% to ₱0.9 billion from ₱1.2 billion for the same period in 2023. The decline in revenue was due to lower nickel prices and volume sold in 2024. During the second quarter of 2024, BRMC sold seven boatloads of nickel ore aggregating 372,660 tons of 1.4% as against two boatloads of 109,080 tons ranging from 1.2% to 1.4% for the same quarter in 2023. For the first semester of 2024, ten boatloads were sold aggregating 537,000 tons versus eleven boatloads aggregating 586,294 tons for the same period in 2023. The average price of nickel ore for the first semester of 2024 decreased by 19% to US$30.928/ton from the average price of US$38.313/ton for the same period in 2023. Net income for the second quarter and first half of 2024 amounted to ₱121.1 and ₱154.7 million, respectively higher compared to ₱19.8 million for the second quarter of 2023 and lower compared to ₱316.4 million for the first half of 2023.

Irisan Lime Project (ILP)
The Company's ILP revenue for the second quarter of 2024 amounted to ₱20.0 million, lower than the ₱22.9 million revenue for the same period in 2023. For the six-month period of 2024, revenue slightly decreased to ₱44.3 million from ₱48.4 million for the same period in 2023. Decrease in revenue is attributed to lower volume of lime sold in 2024. ILP sold 2,821 metric tons of lime this year, lower compared to 3,083 metric tons in 2023. This resulted to lower pre-tax income of ₱3.6 million and ₱8.8 million for the second quarter and first semester respectively in 2024 versus pre-tax income of ₱4.7 million and ₱12.2 million for the same respective periods in 2023.

Benguet Antamok Gold Operation (BAGO)
The Benguet Antamok Gold Operations (BAGO) received the approval of its Final Mine Rehabilitation and Decommissioning Plan (FMRDP) from the Mines and Geosciences Bureau – Cordillera Administrative Region (MGB-CAR) and the Contingent Liability and Rehabilitation Fund Steering Committee (CLRFSC) through a resolution signed by the Committee. The Resolution states that BAGO already accomplished most of the indicated rehabilitation activities under the Phase 1 Component amounting to ₱16.8 million while the remaining costs of ₱23.2 million will cover most of the rehabilitation activities in Phase 2.

Phase 1 activities are progressing within the framework of the Annual Care and Maintenance Programs, with total expenditures during the second quarter of 2024 amounting to ₱0.09 million. For this quarter accomplishments which are reflected in the submitted 2024 Care and Maintenance Program, BAGO continuously implemented activities related to nursery maintenance, seedling propagation, reforestation, greening initiatives, water quality monitoring, watershed protection, and the maintenance of environmental structures like the Liang Dam emergency spillways and penstocks.

The FMRDP is an instrument to ensure the sustainability of previously operated mines through the implementation of comprehensive rehabilitation measures.

EXPLORATION, RESEARCH AND DEVELOPMENT
Pantingan Property Gold Prospect
The Pantingan property, located in Bataan peninsula, is covered by MPSA No. 154-2000-III. It remains to be a viable prospect for epithermal gold mineralization and aggregates. During the quarter, the Company continued to implement its drilling program. The main purpose of the drilling program is to determine the possible extension of the potential gold veining system. In support of its exploration activities, the Company filed for the fifth renewal of Exploration Period under the MPSA. In addition, the Company also filed for the renewal of the MPSA.

Aggregates Prospect
On the aggregates prospect, the Company continue with its permitting activities including permit for road-right-of-way in the 30-hectares Quarry Permit Area (QPA) outside the MPSA. Permits of 6 QPAs areas are expected to be completed at year-end. The large-scale quarry in PAB-1 and PAB-2 still needs drilling to come up with the resource data for Declaration of Mining Project Feasibility (DMPF). In the QPA area, the MGB has issued an area clearance while the NCIP has issued a Certificate of Non-Overlap (CNO). The Company already obtained LGU Certificate of No Objection/endorsement the project. Tree inventory for Tree Cutting Permit and ECC review is still a work-in-progress.

Zamboanga Gold Prospect
The Zamboanga Gold Prospect covers 399.0288 hectares situated in the common boundary of R.T. Lim, Zamboanga Sibugay and Siocon, Zamboanga del Norte and is covered with Exploration Permit No. EP-012-2023-IX. The Company is currently doing exploration works which includes Tunneling and Shaft Sinking per approved Exploration Work Program. The Company continues to comply with the required documents for its Community Development Program. After which, the Company will implement the Information Education Campaign (IEC) to Local Government Unit (LGU) and Indigenous People's (IP) on the next quarters.

Surigao Coal Project
Surigao Coal Project is a coal property acquired by the Company in Surigao del Sur through a Royalty Agreement with Diversified Mining Company in 1981. The property consists of 12-coal blocks with a total area of 12,000 hectares. The Company applied for a new Coal Operating Contract wherein after review and evaluation of the submitted documents, the Department of Energy (DOE) approved the publication of the Company's Area of Interest (AOI) with invitation to challenge.

SUBSIDIARIES AND AFFILIATES
Logistics
Arrow Freight and Construction Corporation (AFCC)
AFCC, the logistics provider of the Company generated revenue of ₱29.1 million for the second quarter and ₱50.8 million for the first half of 2024, higher as compared to the revenues of ₱17.2 million in the second quarter of 2023 and lower compared to ₱62.1 million for the first half period in 2023. The revenue the second quarter of 2024 was attributed to the management fee earned in providing to BRMC the needed earthmoving equipment and dump trucks for its various mining activities, ore hauling using its own fleet and ore loading using its own backhoes. Net income for the second quarter and first semester of 2024 amounted to ₱12.0 million and ₱21.1 million, respectively, compared to net income of ₱5.9 million and ₱28.9 million for the same respective periods in 2023.

AFCC will oversee the dredging activities of the Candelaria Port in September 2024.

AFCC has current operational hauling fleet of ten unit dump trucks, four backhoes, oil tanker and water truck. It also plan 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 and Management Services Corporation (KPLMSC)
KPLMSC, the port and barging services provider of the Company reported revenue of ₱29.4 million for the second quarter and ₱41.9 million for the first half of 2024, lower as compared to the revenue of ₱8.1 million and ₱43.5 million for the same respective periods in 2023. The variance is on account of the lower tonnage of nickel ore exports managed from 586,294 tons in the first semester of 2023 to 537,000 tons for the same period in 2024. Net income for the second quarter and first semester of 2024 amounted to ₱13.6 million and ₱16.1 million, respectively, compared to the net income of ₱0.9 million and ₱20.2 million for the same respective periods in 2023.

Dredging of the Candelaria Port will start in September 2024.

Real Estate

BMC Forestry Corporation (BFC)

BFC, the real estate arm of the Company continuous to develop and sell subdivision lots in its real estate project in Rosario, La Union, the Woodspark Subdivision. BFC reported a pre-tax income of ₱0.6 million for the second quarter and ₱0.8 million for the first half of 2024, compared to pre-tax income of ₱0.4 million and ₱2.7 million for the same periods in 2023.

BFC continues to manage the lime kiln operation of Irisan Lime Project and sell the remaining three lots with an aggregate area of 1,043 square meters valued at P5.29 million. BFC is searching for new property to acquire and develop for its Woodspark Subdivision expansion.

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 are continuing programs.

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 in progress.

Healthcare

Benguetcorp Laboratories, Inc. (BCLI)

BCLI reported revenue of ₱10.6 million for the second quarter and ₱20.7 million for the first half of 2024, lower versus ₱12.8 million and ₱26.6 million for the same periods in 2023. BCLI generated a pre-tax income of ₱1.2 million for the second quarter of 2024, lower against ₱1.8 million pre-tax income for the same quarter in 2023. For the same reason, pre-tax income for the first half of 2024 amounted to ₱1.2 million, lower compared to pre-tax income of ₱3.2 million for the same period of 2023.

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 (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 available for the project.

C. ENVIRONMENTAL PROTECTION AND COMMUNITY RELATIONS

The Company continues to implement the respective environmental protection and enhancement program for the second quarter of this year for its nickel, gold and lime operations. These programs and activities include massive reforestation in support of the Government's National Greening Program, Mining Forest Program, and Bamboo Plantation Program, enhancement of land resources which includes progressive maintenance of various environmental structures such as the Tailings Storage Facility and its appurtenances, drainage tunnels, and strict implementation of hazardous and solid waste management, and water, air and noise quality monitoring. These efforts are regularly monitored and validated by the Multi-Partite Monitoring Team (MMT), and the Mine Rehabilitation Fund Committee (MRFC). The Company spent a total of ₱7.9 million for these purposes for the second quarter this year.

The Company continued to partner with its host and neighboring communities in the implementation of its Social Development and Management Programs (SDMP). Such programs include educational support, medical assistance, infrastructure development, disaster risk reduction programs and monitoring activities, and continuing support on various activities concerning Information Education Communication (IEC) and Development of Mining Technologies and Geosciences (DMTG). The total expenditure for the second quarter of 2025 for these activities was ₱3.6 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, 2025, the Company's current ratio is 7.61:1 versus 4.93:1 for the same period in 2024, 4.32:1 in 2023, and 3.16:1 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$3,274.14 per ounce this quarter, as compared to average price of US$2,312.77 per ounce, US$1.998.89 per ounce and US$1,888.30 per ounce for the same period in 2024, 2023 and 2022. Nickel ores were sold at average price of US$41.45/ton this quarter against US$30.94/ton, US$29.48/ton, and US$52.01/ton for the same periods in 2024, 2023 and 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 quarter, tons milled were 6,923 tons of ore with average grade of 8.67 grams per ton gold, tons milled were 4,307 tons of ore with average grade of 8.79 grams per ton gold, as compared to 6,700 tons of ore with average grade of 5.91 grams per ton gold, and 13,219 tons of ore with average grade of 5.87 grams per ton gold for the same periods in 2024, 2023 and 2022. Gold sold this second quarter were 1,699.03 ounces versus 1,009.67 ounces,1,074.08 ounces, and 2,493.16 ounces for the same period in 2024, 2023 and 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 ore sold this 2025 second quarter were 329,400 tons compared to 372,660 tons,109,080 tons, and 427,193 tons in the same periods in 2024, 2023 and 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, 2025, the peso to dollar exchange rate was at ₱56.33 as compared to ₱58.61, ₱55.20 and ₱54.975 for the same period in 2024, 2023 and 2022. The volatility of the foreign currency exchange rates will continue to affect the Company's results of operations in the foreseeable future.

5. Earnings Per Share
   The Company's earnings per share ultimately reflects 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 semester is ₱0.87 as compared to ₱0.43, ₱0.70 and ₱1.56 earnings per share in the same periods in 2024, 2023 and 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 will continue to market saleable nickel ores inventory from 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 changes in the number of employees due to hiring of Project/Seasonal workers for the Pantingan project, BRMC, AFCC, KPLMSC and BCLI.

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, effects of climate change, drastic changes in fuel prices, and present economic condition affected by global health issues, wars 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.

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.

The Company continues to fund the capital requirements of its Acupan mine expansion program to enhance mining and milling efficiency and exploration and development of Pantingan Gold Prospect. The sales of gold, nickel ore and quicklime are the sources of funds for capital expenditures. The increase in the sales of gold and shipment of nickel will have a favorable impact on the Company's net sales and income.

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.

PART II--OTHER INFORMATION

The issuer may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

SIGNATURES

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

Issuer........................**BENGUET CORPORATION**..
By:

Signature and Title: **LINA G. FERNANDEZ**
President

Date: August 19, 2025

Signature and Title: **MAX . D ARCEÑO**
Senior Vice President – Finance & Treasurer

Date: August 19, 2025

BENGUET CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF JUNE 30, 2025 AND DECEMBER 31, 2024

(Amounts in Thousands)

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	**₱2,487,277**	₱1,753,715
Trade and other receivables	**686,506**	741,276
Inventories	**67,391**	191,940
Financial assets at fair value through profit or loss (FVPL)	**617,148**	704,637
Other current assets	**291,744**	368,716
Total Current Assets	**4,150,066**	3,760,284
Noncurrent Assets		
Property, plant and equipment	**2,757,793**	2,716,511
Deferred mine exploration costs	**571,019**	550,505
Investment property	**3,324,759**	3,324,759
Deferred tax assets - net	**8,581**	8,685
Other noncurrent assets	**578,007**	506,577
Total Noncurrent Assets	**7,240,159**	7,107,037
TOTAL ASSETS	**₱11,390,225**	₱10,867,321

LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	**₱431,900**	₱604,319
Lease liabilities – current	**6,332**	7,107
Liability for mine rehabilitation – current	**4,869**	4,869
Income tax payable	**102,256**	38,849
Total Current Liabilities	**545,357**	655,144
Noncurrent Liabilities		
Lease liabilities – net of current portion	**8,034**	8,158
Liability for mine rehabilitation – net of current portion	**48,151**	48,151
Pension liability	**39,963**	39,963
Deferred income tax liabilities - net	**826,288**	826,761
Other noncurrent liabilities	**119,511**	119,939
Total Noncurrent Liabilities	**1,041,947**	1,042,972
Total Liabilities	**1,587,304**	1,698,116
Equity		
Capital stock	**716,666**	714,277
Capital surplus	**689,236**	686,627
Cost of share-based payment	**8,225**	8,225
Retained earnings	**6,823,555**	6,199,684
Other components of equity	**1,573,255**	1,568,408
	9,810,937	9,177,221
Cost of 116,023 shares held in treasury, ₱69 per share	**(8,016)**	(8,016)
Total Equity	**9,802,921**	9,169,205
TOTAL LIABILITIES AND EQUITY	**₱11,390,225**	₱10,867,321

BENGUET CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2025
(With Comparative Figures for the six months ended June 30, 2024)
(Amounts in Thousands)

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2025	2024	**2025**	2024
REVENUES	**₱1,120,782**	₱825,190	**₱2,147,367**	₱1,295,265
COSTS AND OPERATING EXPENSES				
Costs of mine products sold	**250,715**	218,888	**544,911**	409,783
Costs of merchandise sold and services	**38,809**	26,865	**64,127**	46,394
Selling and general	**267,356**	277,542	**587,267**	458,240
Taxes on revenue	**82,154**	65,237	**159,453**	96,992
	639,034	588,532	**1,355,758**	1,011,409
INCOME (LOSS) FROM OPERATIONS	**481,748**	236,658	**791,609**	283,856
OTHER INCOME (EXPENSE)				
Interest income	**14,985**	5,323	**25,658**	7,792
Foreign exchange gains (losses) – net	**(16,032)**	10,563	**(26,846)**	25.554
Miscellaneous – net	**1,241**	17,320	**23,913**	22,578
	194	33,206	**22,725**	55,924
INCOME BEFORE INCOME TAX	**481,942**	269,864	**814,334**	339,780
PROVISION FOR INCOME TAX	**111,405**	54,824	**190,463**	72,046
NET INCOME	**₱370,537**	₱215,040	**₱623,871**	₱267,734
BASIC EARNINGS PER SHARE	**₱0.52**	₱0.35	**₱0.87**	₱0.43
DILUTED EARNINGS PER SHARE	**₱0.52**	₱0.34	**₱0.87**	₱0.43

BENGUET CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2025
(With Comparative Figures for the six months ended June 30, 2024)
(Amounts in Thousands)

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2025	2024	**2025**	2024
NET INCOME	**₱370,537**	₱215,040	**₱623,871**	₱267,734
OTHER COMPREHENSIVE INCOME (LOSS)				
Items to be reclassified to profit or loss in subsequent periods:				
Translation adjustment on foreign subsidiaries	**(2,833)**	2,083	**(2,809)**	2,793
OTHER COMPREHENSIVE INCOME (LOSS)	**(2,833)**	2,083	**(2,809)**	2,793
TOTAL COMPREHENSIVE INCOME	**₱367,704**	₱217,123	**₱621,062**	₱270,527

BENGUET CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED JUNE 30, 2025

(With Comparative Figures for the six months ended June 30, 2024)

(Amounts in Thousands)

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)	December 31, 2024 (Audited)
CAPITAL STOCK	**₱716,666**	₱624,211	₱714,277
CAPITAL SURPLUS	**689,236**	415,189	686,627
REVALUATION INCREMENT	**1,512,073**	1,362,051	1,504,417
CUMULATIVE TRANSLATION ADJUSTMENT			
Balance at beginning of period	**43,319**	41,064	41,064
Translation adjustment	**(2,809)**	2,793	2,255
Balance at end of period	**40,510**	43,857	43,319
COST OF SHARE-BASED PAYMENT			
Balance at beginning of period	**8,225**	8,104	8,104
Stock options vested	**–**	–	1,201
Cancellation of stock options	**–**	–	(1,080)
Balance at end of period	**8,225**	8,104	8,225
UNREALIZED GAIN ON FINANCIAL ASSETS AT FVOCI			
Balance at beginning of period	**165**	371	371
Other comprehensive income (loss)	**–**	–	(206)
Balance at end of period	**165**	371	165
REMEASUREMENT LOSS ON PENSION LIABILITY	**20,399**	15,908	20,399
UNREALIZED GAIN ON INTANGIBLE ASSET	**108**	108	108
RETAINED EARNINGS			
Balance at beginning of period	**6,199,684**	5,907,571	5,907,571
Dividend declaration	**–**	–	(143,557)
Net income for the period	**623,871**	267,734	435,670
Balance at end of period	**6,823,555**	6,175,305	6,199,684
TREASURY SHARES	**(8,016)**	(8,016)	(8,016)
TOTAL EQUITY	**₱9,802,921**	₱8,637,512	₱9,169,205

BENGUET CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2025
(With Comparative Figures for the six months ended June 30, 2024)
(Amounts in Thousands)

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2025	2024	**2025**	2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	**₱481,942**	₱269,864	**₱814,334**	₱339,780
Adjustments for:				
Depreciation, depletion and amortization	**12,797**	9,711	**21,383**	24,471
Unrealized foreign exchange loss	**(3,195)**	2,083	**1,800**	2,793
Fair value gain on financial assets at FVPL	**(6,204)**	(21,445)	**(14,304)**	(21,445)
Decrease (increase) in:				
Trade and other receivables	**(42,081)**	(23,195)	**52,643**	(6,709)
Inventories	**3,048**	70,902	**124,549**	32,717
Prepaid expenses and other current assets	**(9,387)**	(21,901)	**68,167**	(87,938)
Decrease in trade and other payables	**(59,926)**	(81,201)	**(171,682)**	(135,854)
Payment of income tax	**(117,907)**	(57,948)	**(117,907)**	(57,948)
Net cash from (used in) operating activities	**259,087**	146,870	**778,983**	89,867
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in:				
Property, plant and equipment	**(53,881)**	6,089	**(57,983)**	5,983
Deferred exploration costs	**(4,802)**	s(17,910)	**(20,514)**	(22,163)
Other assets	**(79,453)**	(42)	**(71,430)**	(15,303)
Financial assets at FVPL	**93,693**	15,628	**101,793**	–
Net cash from (used in) investing activities	**(44,443)**	3,765	**(48,134)**	(31,483)
CASH FLOWS FROM FINANCING ACTIVITIES				
Exercise of stock options	**629**	–	**4,998**	–
Increase (decrease) in:				
Lease liabilities	**(744)**	(304)	**(1,857)**	(620)
Liability for mine rehabilitation	**–**	(203)	**–**	(203)
Pension liability	**–**	–	**–**	(1,675)
Other noncurrent liabilities	**(428)**	(58,225)	**(428)**	(57,283)
Net cash used in financing activities	**(543)**	(58,732)	**2,713**	(59,781)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**214,101**	91,903	**733,562**	(1,397)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**2,273,176**	680,892	**1,753,715**	774,192
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**₱2,487,277**	₱772,795	**₱2,487,277**	₱772,795

BENGUET CORPORATION AND SUBSIDIARIES

EARNINGS PER SHARE COMPUTATION

FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Amounts in Thousands, Except for the Number of Shares)

	June 30	
	2025	2024
Net income	**₱623,871**	₱267,734

Number of shares for computation of:

	June 30	
	2025	2024
Basic earnings per share		
Weighted average common shares issued	**714,481,447**	623,532,198
Less treasury stock	**348,069**	348,069
Weighted average common shares outstanding	**714,133,378**	623,184,129
Diluted earnings per share		
Weighted average common shares issued	**714,481,447**	623,532,198
Less treasury stock	**348,069**	348,069
	714,133,378	623,184,129
Conversion of preferred stock	**2,037,801**	2,059,366
Stock options	**1,214,853**	3,472,170
	717,386,032	628,715,665
Basic earnings per share	**₱0.87**	₱0.43
Diluted earnings per share	**₱0.87**	₱0.43

BENGUET CORPORATION AND SUBSIDIARIES

FINANCIAL SOUNDNESS INDICATORS

FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024

	June 30	
	2025	2024
Profitability Ratio		
Return on asset	**0.05:1**	0.03:1
Return on equity	**0.06:1**	0.03:1
Gross profit margin	**0.72:1**	0.65:1
Operating profit margin	**0.37:1**	0.22:1
Net profit margin	**0.29:1**	0.21:1
Liquidity and Solvency Ratio		
Current ratio	**7.61:1**	4.93:1
Quick ratio	**5.82:1**	1.96:1
Solvency ratio	**7.18:1**	5.80:1
Financial Leverage Ratio		
Asset to equity ratio	**1.16:1**	1.21:1
Debt ratio	**0.14:1**	0.17:1
Debt to equity ratio	**0.16:1**	0.21:1
Interest coverage ratio	**0.00:1**	0:1

BENGUET CORPORATION AND SUBSIDIARIES

AGING OF RECEIVABLES

AS OF JUNE 30, 2025
(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	₱68,003	₱7,985	₱17,018	₱8,593	₱18,653	₱77,862	₱198,114
Allowance for doubtful accounts	–	–	–	–	–	(31,905)	(31,905)
Trade receivables – net	68,003	7,985	17,018	8,593	18,653	45,957	166,209
Nontrade receivables:							
Officers and employees	10,868	3,441	5,401	–	3,495	105,216	128,421
Others	1,068	6,824	7,645	–	19,232	488,063	522,832
Total	11,936	10,265	13,046	–	22,727	593,279	651,253
Allowance for doubtful accounts	–	–	–	–	–	(130,956)	(130,956)
Nontrade receivables - net	11,936	10,265	13,046	–	22,727	462,323	520,297
Trade and other receivables - net	₱79,939	₱18,250	₱30,064	₱8,593	₱41,380	₱508,280	₱686,506

BENGUET CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024

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, 2024.

Changes in Accounting Standards and Interpretation
Effective beginning on or after January 1, 2025
- *Amendments to PAS 21, Lack of exchangeability*

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

Financial Assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI, and FVPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payment of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortized cost (debt instruments)

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

The Group's financial assets at amortized cost include cash and cash equivalents, trade receivables, loan receivable, receivables from lessees of bunkhouses and short-term investments under "Other current assets".

Financial assets at FVPL

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

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

Financial assets at FVOCI

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in the consolidated statement of comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group's financial assets at FVOCI include investments in quoted shares.

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

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

For cash and cash equivalents, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses publicly available ratings to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

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

For other receivables, the Group calculates ECLs at initial recognition by considering the consequences and probabilities of possible defaults only for the next 12 months, rather than the life of the asset. It continues to apply this method until a significant increase in credit risk has occurred, at which point the loss allowance is measured based on lifetime ECLs.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Group's investment grade criteria are considered to have a low credit risk. The provision for credit losses for these financial assets is based on a 12-month ECL. The low credit risk exemption has been applied on debt investments that meet the investment grade criteria of the Group from the time of origination.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.
A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

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

Subsequent Measurement - Financial liabilities at amortized cost (loans and borrowings)
After initial measurement, interest-bearing loans, non-interest-bearing liabilities and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statement of income when the liabilities are derecognized as well as through the EIR amortization process.

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

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 unaudited interim condensed 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 unaudited interim condensed 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, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from such estimates.

Judgments
In the process of applying the Group's accounting policies, management has made following judgments, which have the most significant effect on the amounts recognized in the unaudited interim condensed 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.

Distinction between Investment Property and Owner-Occupied Property
The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property is not occupied substantially for use by, or in operations of the Group, not for sale in the ordinary course of business, but is held primarily to earn rental income or capital appreciation. Owner-occupied properties generate cash flows that are attributable not only to the property but also to the other assets used in the production or supply.

Principal versus Agent Considerations
The Group enters into contracts with customers wherein the Group charges the customers for the services rendered. The Group determined that it does not control the goods or services before they are transferred to customers, and it does not have the ability to direct the use of the services or obtain benefits from the services. The following factors indicate that the Group does not control the services before they are being transferred to customers. Therefore, the Group determined that it is an agent in these contracts.

- The Group is not primarily responsible for fulfilling the promise to provide the professional services.
- The Group has no discretion in establishing the price for the services provided. The Group's consideration in these contracts is only based on the difference between the Group and the customer.

The Group determined that it is an agent with respect to the professional fees of its tenant doctors. Meanwhile, the Group concluded that it is the principal in all its other revenue streams.

Assessing Recoverability of Deferred Mine Exploration Costs
The Group reviews the recoverability of deferred mine exploration costs when events or changes in circumstances indicate that the carrying amount of deferred mine exploration costs may exceed its estimated recoverable amount. The Group considers the following factors, among others, in its assessment:

- Status of each mine exploration project and plans on exploration and evaluation activities
- Validity of the licenses, permits and correspondences related to each mine exploration project
- Plans to abandon existing mine areas and plans to discontinue exploration activities
- Availability of information suggesting that the recovery of expenditure is unlikely

The Group's ability to realize its deferred exploration costs depends on the success of exploration and development work in proving the viability of its mining properties to produce minerals in commercial quantities, and the success of converting the Group's exploration permits to new mineral agreements, which cannot be determined at this time. The consolidated financial statements do not include any adjustment that might result from these uncertainties.

As at June 30, 2025 and December 31, 2024, deferred mine exploration costs amounted to ₱571.02 million and ₱550.51 million, respectively.

<u>Estimates and Assumptions</u>
The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year, are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when these occur.

Provision for Expected Credit Losses on Trade and Other Receivables
The Group uses the simplified approach in the assessment of the ECL for its trade receivables and general approach model for its other receivables excluding advances to officers and employees. An assessment of the ECL relating to this financial asset is undertaken upon initial recognition and each financial year and involves exercise of significant judgment. Key areas of judgment include defining default, determining assumptions to be used such as timing and amounts of expected net recoveries from defaulted accounts, determining debtor's capacity to pay, and incorporating forward looking information.

The carrying amount of trade and other receivables, excluding advances to officers and employees, amounted to ₱618.49 million and ₱683.06 million as at June 30, 2025 and December 31, 2024, 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, 2025 and December 31, 2024, carrying values of mine and mining properties amounted to ₱638.49 million and ₱645.36 million, respectively.

As at June 30, 2025 and December 31, 2024, liability for mine rehabilitation amounted to ₱53.02 million.

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.

As at June 30, 2025 and December 31, 2024, property, plant and equipment (at cost) amounted to ₱781.13 million and ₱743.91 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. 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 June 30, 2025 and December 31, 2024, the carrying value of inventories amounted to ₱67.39 million and ₱191.94 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 ₱574.21 million and ₱491.55 million as at June 30, 2025 and December 31, 2024, 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 other comprehensive income. The land, artworks and investment properties were valued using the sales comparison approach. The determination of the fair values of these properties involves significant management judgment and estimations. The valuation also requires the assistance of external appraisers whose calculations also depend on certain assumptions, such as sales and listing of comparable properties registered within the vicinity and adjustments to sales price based on internal and external factors.

As at June 30, 2025 and December 31, 2024, the appraised value of land and artworks, and investment properties amounted to ₱5,301.42 million and ₱5,297.36 million, respectively.

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, 2025 and December 31, 2024, the carrying amount of mine and mining properties amounted to ₱638.49 million and ₱645.36 million, respectively. Carrying amount of mine rehabilitation asset amounted to ₱25.67 million as of June 30, 2025 and December 31, 2024.

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 ₱14.37 million and ₱15.27 million as at June 30, 2025 and December 31, 2024, respectively.

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 ₱53.02 million as at June 30, 2025 and December 31, 2024.

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

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.
The mortality rate is based on publicly available mortality tables for the Philippines and is modified accordingly with estimates of mortality improvements. Future salary increases, and pension increases are based on expected future inflation rates for the Philippines.

Net pension liability of the Group amounted to ₱39.96 million as at June 30, 2025 and December 31, 2024.

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 ₱103.59 million as at June 30, 2025 and December 31, 2024.

4. Financial Risk Management Objectives and Policies

The Group has various other financial instruments such as cash and cash equivalents, trade receivables, receivable from lessees of bunkhouses, and loan receivable under "other noncurrent assets", trade and accrued expenses under trade and other payables and lease liabilities, which arise directly from its operations. Other financial assets include financial assets at FVPL and FVOCI.

The significant risks arising from the Group's financial instruments are liquidity risk, credit risk and interest rate risk. The BOD reviews and agrees policies for managing each of these risks and these are summarized below.

Liquidity Risk
Liquidity risk arises from the possibility that the Group may encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and availment of suppliers' credit. The long-term relationship of the Group to its suppliers gives it the advantage to negotiate the payment terms.

As part of its liquidity risk management, the Group has access to sufficient external funding and loans payable maturing within 12 months can be rolled over with existing lenders. It also continuously assesses conditions in the financial markets for opportunities to avail bank loans and capital market issues. Accordingly, its loan maturity profile is regularly reviewed to ensure availability of funding through an adequate amount of credit facilities with financial institutions. As at June 30, 2025 and December 31, 2024, cash and cash equivalents may be withdrawn anytime while quoted FVOCI may be converted to cash by selling them during the normal trading hours in any business day.

The tables below summarize the maturity profile of the Group's financial liabilities as of June 30, 2025 and December 31, 2024 based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Group's financial assets in order to provide a complete view of the Group's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates.

	June 30, 2025				
	On demand	0-90 days	91-365 days	More than one year	Total
Financial assets					
Cash and cash equivalents					
Cash on hand and in banks	**₱714,870**	**₱–**	**₱–**	**₱–**	**₱ 714,870**
Short-term deposits	**–**	**1,772,407**	**–**	**–**	**1,772,407**
Trade and other receivables*	**69,071**	**14,809**	**24,663**	**509,941**	**618,484**
FVPL	**617,148**	**–**	**–**	**–**	**617,148**
Short-term deposits under "other current assets"	**–**	**–**	**1,727**	**–**	**1,727**
FVOCI	**–**	**–**	**–**	**794**	**794**
	₱1,401,089	**₱1,787,216**	**₱26,390**	**₱510,735**	**₱3,725,430**

(Forward)

	June 30, 2025				
	On demand	**0-90 days**	**91-365 days**	**More than one year**	**Total**
Financial liabilities					
Trade and other payables					
Trade	**₱–**	**₱302,811**	**₱–**	**₱–**	**₱302,811**
Nontrade**	**22,782**	**–**	**–**	**–**	**22,782**
Accrued expenses	**–**	**23,080**	**56,278**	**–**	**79,358**
Lease liabilities	**–**	**2,369**	**3,963**	**8,034**	**14,366**
Other noncurrent liabilities					
Equity of claimowner incontract operations	**–**	**–**	**–**	**49,136**	**49,136**
	22,782	**328,260**	**60,241**	**57,170**	**468,453**
Net financial assets (liabilities)	**₱1,378,307**	**₱1,458,956**	**(₱33,851)**	**₱453,565**	**₱3,256,977**

**Excluding advances to officers and employees*
***Excluding statutory payables*

	December 31, 2024				
	On demand	0-90 days	91-365 days	More than one year	Total
Financial assets					
Cash and cash equivalents					
Cash on hand and in banks	₱832,105	₱–	₱–	₱–	₱832,105
Short-term deposits	–	921,610	–	–	921,610
Trade and other receivables*	104,557	439,800	196,919	–	741,276
FVPL	704,637	–	–	–	704,637
Short-term deposits under “other current assets”	–	–	26,908	–	26,908
FVOCI	–	–	–	794	794
	1,641,299	1,361,410	223,827	794	3,227,330
Financial liabilities					
Trade and other payables					
Trade	–	277,569	–	–	277,569
Nontrade**	3,721	–	–	–	3,721
Accrued expenses	–	23,615	28,691	–	52,306
Lease liabilities	–	2,269	–	4,450	6,719
Other noncurrent liabilities					
Equity of claimowner incontract operations	–	–	–	49,136	49,136
	3,721	303,453	28,691	53,586	389,451
Net financial assets (liabilities)	₱1,637,578	₱1,057,957	₱195,136	(₱52,792)	₱2,837,879

**Excluding advances to officers and employees*
***Excluding statutory payables*

<u>Credit Risk</u>

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, 2025	December 31, 2024
Cash and cash equivalents		
Cash in banks	**₱714,870**	**₱832,105**
Short-term deposits	**1,772,407**	**921,610**
Trade and other receivables, except advances to officers and employees	**618,484**	**741,276**
Short-term investments under “other current assets”	**1,727**	**26,908**
	₱3,107,488	**₱2,521,899**

Impairment of financial assets
The Group has financial assets consisting of cash and cash equivalents, trade receivables, receivables from lessees of bunkhouses, and loans receivable that are subjected to ECL model.

General Approach

Cash and cash equivalents
The ECL relating to the cash of the Group is minimal as these are deposited in reputable banks which have good credit rating, and are considered to have lower credit risk.

Other receivables and loans receivable
The Group provided an allowance for ECLs for these financial assets amounted to ₱102.43 million and ₱101.82 million as at June 30, 2025 and December 31, 2024, respectively.

Simplified Approach

Trade receivables
An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due of trade receivables. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group establishes credit limits at the level of the individual borrower, corporate relationship and industry sector. It also provides for credit terms with the consideration for possible application of intercompany accounts between affiliated companies. Also, the Group transacts only with related parties and recognized third parties, hence, there is no requirement for collateral.

Below is the information about the credit risk exposure on the Group’s trade receivables using a provision matrix as of June 30, 2025 and December 31, 2024:

June 30, 2025

		Past due			**Specific**	
	Current	**30 days**	**60 days**	**>90 days**	**Identification**	**Total**
Expected credit loss rate	**0%**	**4%**	**6%**	**21%**	**100%**	
Estimated total gross carrying amount at default	**₱68,003**	**₱7,985**	**₱29,215**	**₱79,845**	**₱13,066**	**₱198,114**
	₱–	**₱319**	**₱1,753**	**₱16,767**	**₱13,066**	**₱31,905**

December 31, 2024

		Past due				
	Current	30 days	60 days	>90 days	Specific Identification	Total
Expected credit loss rate	0%	4%	6%	22%	100%	
Estimated total gross carrying amount at default	₱85,566	₱20,352	₱31,690	₱114,213	₱4,823	₱256,644
	₱–	₱954	₱1,582	₱30,315	₱4,823	₱37,674

Market Risks

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, 2025 and December 31, 2024 follow:

	June 30, 2025		December 31, 2024	
	US$	**Peso equivalent**	US$	Peso equivalent
Financial Assets				
Cash in banks	**$1,213**	**₱68,328**	$5,015	₱290,106
Trade receivables under "trade and other receivables"	**1,311**	**73,849**	1,478	85,473
Short-term investments	**16,860**	**949,724**	–	–
Interest receivables	**–**	**–**	11	652
Total monetary assets	**$19,384**	**₱1,091,878**	$6,504	₱376,231

As at June 30, 2025 and December 31, 2024, the exchange rates of the Philippine peso to the US$ based on the Bankers Association of the Philippines are ₱56.33 and ₱57.85, 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, 2025 and December 31, 2024 is as follows:

June 30, 2025	**Change in foreign exchange rate**	**Income before income tax effect**
	Strengthens by-2.08%	**₱22,712**
	Weaken by -1.82%	**(19,873)**

December 31, 2024	Change in foreign exchange rate	Income before income tax effect
	Strengthens by 2.08%	₱14,229
	Weaken by -1.82%	(12,458)

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 unaudited interim condensed consolidated statement of financial position.

Since the amount of financial assets at FVOCI subject to equity price risk is not significant relative to the unaudited interim condensed consolidated financial statements, management deemed that it is not necessary to disclose equity price risk sensitivity analysis.

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 2025 and 2024. The Group monitors capital using the consolidated financial statements. As at June 30, 2025 and December 31, 2024, the Group has met its capital management objectives.

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

	June 30, 2025	December 31, 2024
Capital stock	**₱716,666**	₱714,277
Capital surplus	**689,236**	686,627
Retained earnings	**6,823,555**	6,199,684
Cost of share-based payment	**8,225**	8,225
Other components of equity	**1,573,255**	1,568,408
Treasury shares	**(8,016)**	(8,016)
	₱9,802,921	₱9,169,205

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, 2025 and December 31, 2024 are as follows:

	June 30, 2025	December 31, 2024
Total liabilities (a)	**₱1,587,304**	₱1,698,116
Total equity (b)	**9,802,921**	9,169,205
Debt-to-equity ratio (a/b)	**0.14:1**	0.19:1

5. Seasonality and Cyclicality of Interim Operation

There are no significant seasonality or cyclicality in its business operation that would have material effect on the Groups's 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 THE FINANCIAL STATEMENTS OF THE COMPANY
(For the Second Quarter ended June 30, 2025)

i.) The disclosure on significant accounting principles, policies, and practices are substantially the same with the disclosure made in 2024 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 2025, there were no seasonal or cyclical aspects that materially affected 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 affected 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 2025, 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 – No cash dividends were declared during the Second Quarter 2025.

v.) Segment Information - The Company is principally engaged in mining. Its operating revenues as of June 30, 2025 mainly consist of sales of gold to Bangko Sentral Ng Pilipinas amounting to ₱547.91 million and nickel ores amounting to ₱1,535.23 million.

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, no business combinations, acquisition or disposal of subsidiaries and

viii.) long-term investments and no substantial changes in contingent liabilities and contingent assets from 2024.

To:	All Concerned Stakeholders
From:	Tomas D. Malihan
Subject:	Summary of Exploration Results for the 2nd Quarter 2025 (SEC Form 17-Q)
Date:	August 19, 2025

For the second quarter of 2025, Benguet Corporation reports that its exploration activities were focused on 2 projects, namely: (a) Pantingan Gold Prospect in Bataan; and (b) BOLCO Gold Prospect in Zamboanga Sibugay. In Pantingan, Phase 2 Diamond Drilling is still in progress. As of the end of the quarter, a total of 5 drill holes were completed with average depth of 722.50 meters. Drilling operation will continue in the next several quarters despite challenges from the weather and the remote conditions of the exploration site, to further trace lateral extension of the interpreted potential veining system in the target area. In BOLCO, with the approval of the Exploration Permit (EP) last December 5, 2023, the Company continues the conduct of Tunneling or Aditing activities in the approved work program. Exploration winze sinking following the down dip trend of the mined out veins of the small-scale miners in their abandoned working areas has reached more than 126 meters depth as of quarter end.

As for the other exploration projects, both the Surigao Coal Project in Surigao del Sur and ASIGA Gold Prospect in Agusan del Norte, are still awaiting the approval / issuance of necessary permits by MGB.

The Company is committed to move these projects forward and to advance the information of these properties to defined resource stage.

For your information and reference:

[redacted]

TOMAS D. MALIHAN
PMRC/GSP-Accredited Competent Person (ACP)
Accreditation No. 07-08-06
Registered Geologist – Professional Regulation Commission
PRC – registration No. 00387
PTR No. 7621939
Issued at: Baguio City
Issued on: 02 January 2025

ACCREDITED COMPETENT PERSON'S CONSENT FORM AND CONSENT STATEMENT AND CERTIFICATES

Accredited Competent Person's Consent Form

Pursuant to the requirements under the prevailing The Philippine Stock Exchange, Inc.'s Consolidated Listing and Disclosure Rules, as amended, and Clause 10 of the Philippine Mineral Reporting Code 2020 Edition (the "Consent Statement")

Public Report or Technical Report Name to the Publicly - released:
Summary of Exploration Results for the 2nd Quarter 2025 in SEC 17-Q

Name of Company Releasing the Report:
Benguet Corporation

Name of Mineral Deposit to which the Report refers to:
Pantingan Gold Prospect in Bataan
Zamboanga Gold Prospect in Zamboanga Sibugay
Surigao Coal Project in Surigao Del Sur
ASIGA Gold Prospect in Agusan del Norte

Data Cut-off Date:
June 30, 2025

Report Date:
August 19, 2025

Consent Statement

I**, Tomas D. Malihan**, of legal age, with postal address at 410 Lower Pias, Camp 7, Kennon Road, Baguio City, do hereby certify that:

- I am a registered Professional Geologist (Reg. No. 0387) under the Philippine Professional Regulation Commission (PRC) and a member in good standing of the Geological Society of the Philippines (GSP)
- I am an Accredited Competent Person (ACP) under the definition of the Philippines Mineral Reporting Code (PMRC Reg. No. 07-08-06) with validity until March 7, 2028.
- I have read and understood the requirements of the 2020 Edition of the Philippine Mineral Reporting Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (PMRC 2020 Edition).
- The Report is based on available data and information as of June 30, 2025 and the report has been prepared in accordance with the PMRC 2020 Edition and its Implementing Rules and Regulations.
- I assume full responsibility for the Public Report entitled "Summary of the Exploration Results for the Second Quarter 2025".
- I verify that the Public Report is based on, and fairly and accurately reflect in the form and context in which it appears, the information in my supporting documentation relating to Mineral Resources and to the best of my knowledge, all technical information that are required to make thus Public Report not misleading, false, inaccurate, or incorrect, have been included.
- I am a Consultant Geologist of Benguet Corporation.
- I have no vested interest in any property or concessions held by Benguet Corporation.
- The content of this report are valid from the date of signing of the ACP. If any new geological information arises that may have direct or indirect implication on the exploration results, this report may be rendered inaccurate and should therefore be treated with caution.

- I have attached to this Consent Statement copies of my relevant Professional Regulation Commission (PRC) professional identification card (PIC), Accredited Competent Person identification card, and Professional Tax Receipt.

Consent

I consent to the release and public disclosure of the Public Report and this Consent Statement by the Board of Directors of BENGUET CORPORATION, for reporting the summary of exploration results for 2nd Quarter 2025 in SEC 17-Q.

[redacted]

Tomas D. Malihan
Accredited Competent Person

August 19,
Date

Geological Society of the Philippines
Professional Representative Organization of the ACP

PRC PIC Registration No. 0387/ Valid
Until March 7, 2028

ACP ID/ Certificate No. 07-08-06/ Valid
Until March 7, 2028

Professional Tax Receipt No. 7621939 /
Issued at Baguio City on 02 January, 2025

ACKNOWLEDGEMENT

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

BEFORE ME, this AUG 1 9 2025, personally appeared before me TOMAS D. MALIHAN with PRC Professional Identification Card with Registration No. 0000387 valid March 7, 2028, known to me the same person who executed this instrument, which he acknowledge before me as his free and voluntary act and deed.

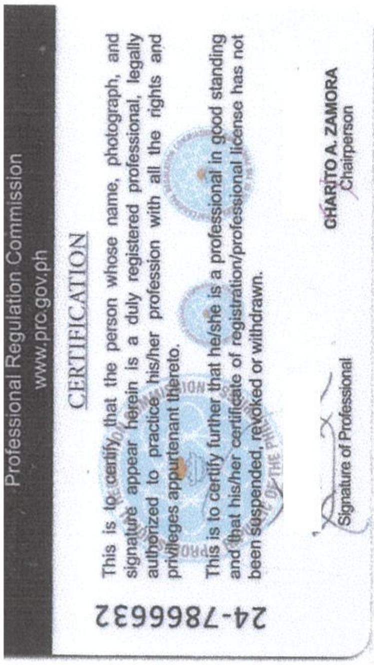
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and at the place first above written.

Doc No. 290 ;
Page No. 59 ;
Book No. I ;
Series of 2025.

SHEILA C. CENIT-BELGICA
NOTARY P...
ROLL NO.
MAKATI CITY, PHILIPPINES

[redacted]

SHEILA C. CENIT-BELGICA
Commission No. M-234
Notary Public for Makati City
Until December 31, 2025
7F Universal Re Building
106 Paseo de Roxas, Makati City
Roll No. 53476
IBP Life Member No. 014470 / 02.18.16
PTR No. MKT 10469596 dated January 3, 2025



OFFICIAL RECEIPT

Republic of the Philippines

BAGUIO CITY

OFFICE OF THE TREASURER

Accountable Form No. 51 Revised January, 1992	ORIGINAL
DATE [illegible]	[illegible]

PAYOR: Malihan, Tomas D

NATURE OF COLLECTION	FUND AND ACCOUNT CODE	AMOUNT
PTR - Geologist		200 -
total		₱ 200 -

AMOUNT IN WORDS: two hundred pesos only

DETAILS:

☑ CASH ☐ TREASURY WARRANT ☐ CHECK ☐ MONEY ORDER

Received the Amount Stated

Aho Amug-ao

COLLECTING OFFICER

Note: Write the number and date of this receipt on the back treasury warrant check or money order received.