

# COVER SHEET

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SEC Registration Number

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(Company's Full Name)																										

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

Atty. Gaspar R. Andres Jr. Contact Person
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8511-8312
Company Telephone Number

1	2
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3	1
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 Month                  Day  
 Fiscal Year

**SEC Form 17-Q**  
September 30, 2024  
FORM TYPE

05  
Month  
31  
Day  
Annual Meeting

Secondary License Type, If Applicable

Dept Requiring this Doc

Amended Articles Number / Section

Total No. of Stockholders

A diagram showing a large rectangle labeled "Total Amount of Borrowings" at the top. Below it, the rectangle is divided into two smaller rectangles: "Domestic" on the left and "Foreign" on the right.

To be accomplished by SEC Personnel concerned

File Number									

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Document ID

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Cashier

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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 **September 30, 2024**

2. Commission identification number **7443**

3. BIR Tax Identification No. **000 – 062 – 736**

4. Exact name of issuer as specified in its charter

**EAST COAST VULCAN MINING CORPORATION** FORMERLY EAST COAST VULCAN CORPORATION

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

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

7. Address of issuer's principal office **15<sup>TH</sup> Flr, Pacific Star Bldg., High Rise Tower, Makati Ave. cor. Senator Gil Puyat Ave., Makati City, Philippines** Postal Code **1209**

8. Issuer's telephone number, including area code **Tel (632) 8511-8312**

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

EAST COAST VULCAN CORPORATION, 4<sup>TH</sup> Flr, Pacific Star Bldg., Low Rise Tower, Makati Ave. cor. Senator Gil Puyat Ave., Makati City, Philippines

10. Securities registered pursuant to Sections 8 and 12 of the RSA

Title of each class	Number of shares of common stock outstanding
<b>Common</b>	<b>6,630,000,000</b>

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

Yes ☒ No ☐

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and RSC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11 (a)-1 thereunder, and Sections 28 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or such shorter period the registrant was required to file such reports)

Yes ☒ No ☐

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

Yes ☒ No ☐

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## PART I - FINANCIAL INFORMATION

### Item 1. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion is based on the unaudited interim consolidated financial statements for the 3rd quarter period ended September 30, 2024, with comparative figures for the corresponding periods in 2023 and audited consolidated financial statements as of December 31, 2023, prepared in conformity with Philippine Accounting Standards 34, Interim Financial Reporting and included herein, and should be read in conjunction with those unaudited interim consolidated financial statements.

#### Financial Condition as of September 30, 2024 and December 31, 2023 and Results of Operation for the Three months ended September 30, 2024 and September 30, 2023

##### Statement of Comprehensive income

###### Revenues

The Company's total revenue on September 30, 2024 was ₱163.52 million which is notably lower by ₱112.58 million or 40.78% as compared to ₱276.10 million on September 30, 2023. The decrease was mainly due to the decrease of shipments and the decrease of price of nickel. The result of operations was a net income of ₱50.66 million in 2024 compared to net income after tax in 2023 with ₱92.89 million.

###### General and admin exp.

General and admin expenses decrease by 47.50% or ₱67.96 million from ₱143.08 million for the third quarter period last year to ₱75.11 million this year. The decrease was due decrease of shipments.

##### Statement of Financial Position

###### Assets

The consolidated total assets of the Company decrease by ₱131.15 million from ₱2.24 billion as of December 31, 2023 to ₱2.11 billion as of September 30, 2024. The 5.85% decrease was mainly due to the following:

- **Trade and other receivable** increase by ₱63.75 million or 123.19% from ₱51.75 million to ₱115.50 million in 2024 mainly due to the increase of trade receivable.
- **Advance to related parties** decrease by ₱184.47 million or 19.45% from ₱948.32 million to ₱763.85 million in 2024 mainly due to payment of advances to related parties.

###### Liabilities

The consolidated total liabilities of the Company decrease by ₱181.81 million from ₱891.42 million as of December 31, 2023 to ₱709.61 million as of September 30, 2024. The 20.40% decrease was mainly due to the following:

- **Trade and other payable** increase by ₱25.88 million or 24.49% from ₱105.71 million to ₱131.59 million in 2024 mainly due to the increase of accounts payable account.
- **Advances from related party** decrease by ₱201.78 or 83.37% from ₱242.02 million to ₱40.24 million in 2024 mainly due to payment to Stockholders.

###### Equity

The stockholders' equity of the Company increase by ₱50.66 million or 3.76% from ₱1.35 billion in 2023 to ₱1.40 billion as of September 30, 2024. This was due to the net income incurred during the period.

## Statement of Cash Flows

As of September 30, 2024, the net cash used from operating activities amounting to ₱1.22 million was mainly due to the decrease of advances from related parties and decrease of loan payable current. Net cash used for investing activities amounting to ₱300.01 thousand was mainly due to increase of other noncurrent asset. The net effect of the foregoing operating, investing, and financing activities is a decrease of ₱1.52 million in cash, leaving a balance of ₱6.63 million in cash during the period.

## Item 2. Financial Statements

The financial statements are filed as part of this Form 17-Q.

The interim financial reports of the Company are in compliance with the generally accepted accounting principles applied on a basis consistent with that of the preceding quarters/period.

The financial statements are prepared in conformity with the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements.

### Horizontal and Vertical Analysis:

			Horizontal Analysis		Vertical Analysis	
	September 30, 2024 Unaudited	2023 Audited	Increase (decrease)	% Change	2024	2023
ASSETS						
Current Assets						
Cash and cash in banks	₱6,630,583	₱8,147,811	(₱1,517,228)	(18.62%)	0.31%	(0.36%)
Trade and other receivables	115,501,658	51,750,865	63,750,793	123.19%	5.48%	2.31%
Due from related parties	763,845,783	948,319,068	(184,473,285)	(19.45%)	36.21%	42.33%
Prepayments and other current assets	68,123,367	56,871,657	11,251,712	19.78%	3.23%	2.54%
Total Current Assets	954,101,391	₱1,065,089,401	(110,988,010)	(10.42%)	45.23%	47.54%
Noncurrent Assets						
Property and equipment	141,825,082	161,998,913	(20,173,831)	(12.45%)	6.72%	7.23%
Intangible asset	529,365	516,790	12,575	2.43%	0.03%	0.02%
Mining rights	860,367,776	860,367,776	-	-	40.79%	38.40%
Deferred exploration costs	147,909,653	147,909,653	-	-	7.01%	6.60%
Deferred tax asset - net	4,578,238	4,578,238	-	-	0.22%	0.20%
Total Noncurrent Assets	1,155,210,114	1,175,371,370	(20,161,256)	(1.72%)	54.77%	52.46%
TOTAL ASSETS	₱2,109,311,505	₱2,240,460,771	(131,149,266)	(5.85%)	100.00%	100.00%

### LIABILITIES AND EQUITY

<b>Current Liabilities</b>						
Trade and other payables	₱131,592,288	₱105,708,044	25,883,981	24.49%	6.24%	4.72%
Due to related parties	40,241,446	242,020,027	(201,778,581)	(83.37%)	1.91%	10.80%
Loans payable - current portion	453,155,125	412,719,643	40,435,482	9.80%	21.48%	18.42%
Installment payable - current portion	-	46,354,114	(46,354,114)	(100.00%)	0.00%	2.07%
<b>Total Current Liabilities</b>	<b>624,988,859</b>	<b>806,801,828</b>	<b>(181,813,232)</b>	<b>(22.54%)</b>	<b>29.63%</b>	<b>36.01%</b>
<b>Noncurrent Liabilities</b>						
Installment payable - noncurrent portion	₱66,888,728	66,888,728	-	0.00%	3.17%	2.99%
Retirement benefits liability	17,730,365	17,730,365	-	0.00%	0.84%	0.79%
<b>Total Noncurrent Liabilities</b>	<b>84,619,093</b>	<b>84,619,093</b>	<b>-</b>	<b>0.00%</b>	<b>4.01%</b>	<b>3.78%</b>
<b>Total Liabilities</b>	<b>709,607,952</b>	<b>891,420,921</b>	<b>(181,813,232)</b>	<b>(20.40%)</b>	<b>33.64%</b>	<b>39.79%</b>

### Equity

Capital stock	6,172,497,120	6,172,497,120	-	-	292.63%	275.50%
Equity reserve	(5,258,607,201)	(5,258,607,201)	-	-	(249.30%)	(234.71%)
Remeasurement gain on retirement benefits liability	4,845,241	4,845,241	-	-	0.23%	0.22%
Retained earnings	480,968,393	430,304,690	50,663,967	11.77%	22.80%	19.21%
<b>Total Equity</b>	<b>1,399,703,553</b>	<b>1,349,039,850</b>	<b>50,663,967</b>	<b>3.76%</b>	<b>66.36%</b>	<b>60.21%</b>

<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱2,109,311,505</b>	<b>₱2,240,460,771</b>	<b>(131,149,266)</b>	<b>(5.85%)</b>	<b>100.00%</b>	<b>100.00%</b>
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	For the Nine-months ended September 30		Horizontal Analysis		Vertical Analysis	
	2024	2023	Increase	% Change	2024	2023
	Unaudited	Unaudited	(decrease)			
<b>REVENUE</b>	<b>₱163,519,044</b>	<b>₱276,101,014</b>	<b>(₱112,581,970)</b>	<b>(40.78%)</b>	<b>100.0%</b>	<b>100.0%</b>
<b>GENERAL AND ADMIN. EXP.</b>	<b>75,114,277</b>	<b>143,076,543</b>	<b>(67,962,266)</b>	<b>(47.50%)</b>	<b>45.0%</b>	<b>51.18%</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>88,404,767</b>	<b>133,024,471</b>	<b>(44,619,704)</b>	<b>(33.54%)</b>	<b>54.1%</b>	<b>48.2%</b>
<b>INTEREST EXPENSE</b>	<b>(24,920,961)</b>	<b>(21,501,931)</b>	<b>(3,419,030)</b>	<b>15.90%</b>	<b>(15.2%)</b>	<b>(7.8%)</b>
<b>OTHER INCOME:</b>						
<b>INTEREST INCOME FROM DEPOSITS</b>	<b>1,228</b>	<b>22,505</b>	<b>(21,277)</b>	<b>(94.54%)</b>	<b>0.0%</b>	<b>0.0%</b>
<b>OTHER INCOME (CHARGES) – NET</b>	<b>(2,487,535)</b>	<b>(281,808)</b>	<b>(2,205,727)</b>	<b>782.71%</b>	<b>(1.5%)</b>	<b>(0.1%)</b>
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	<b>60,997,499</b>	<b>111,263,237</b>	<b>(50,265,738)</b>	<b>(45.18%)</b>	<b>37.3%</b>	<b>40.30%</b>
<b>INCOME TAX EXPENSE</b>	<b>10,333,533</b>	<b>18,370,373</b>	<b>(8,036,840)</b>	<b>(43.75%)</b>	<b>6.3%</b>	<b>6.7%</b>
<b>NET INCOME (LOSS)</b>	<b>₱50,663,966</b>	<b>₱92,892,864</b>	<b>(₱42,228,898)</b>	<b>(45.46%)</b>	<b>31.0%</b>	<b>33.6%</b>

	For the Three-months ended September 30		Horizontal Analysis		Vertical Analysis	
	2024	2023	Increase	% Change	2024	2023
	Unaudited	Unaudited	(decrease)			
<b>REVENUE</b>	<b>₱142,406,823</b>	<b>₱135,948,275</b>	<b>₱6,458,548</b>	<b>4.75%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>GENERAL AND ADMIN. EXP.</b>	<b>30,992,889</b>	<b>34,627,840</b>	<b>(3,634,951)</b>	<b>(10.50%)</b>	<b>21.8%</b>	<b>25.5%</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>111,413,934</b>	<b>101,320,435</b>	<b>10,093,499</b>	<b>(9.96%)</b>	<b>78.2%</b>	<b>74.5%</b>
<b>INTEREST EXPENSE</b>	<b>(24,043,831)</b>	<b>(6,952,015)</b>	<b>(17,091,816)</b>	<b>245.85%</b>	<b>(16.9%)</b>	<b>(5.1%)</b>
<b>OTHER INCOME:</b>						
<b>INTEREST INCOME FROM DEPOSITS</b>	<b>458</b>	<b>911</b>	<b>(453)</b>	<b>(49.73%)</b>	<b>0.0%</b>	<b>0.0%</b>
<b>OTHER INCOME (CHARGES) – NET</b>	<b>(2,037,661)</b>	<b>534,907</b>	<b>(2,572,568)</b>	<b>(480.94%)</b>	<b>(1.4%)</b>	<b>(0.4%)</b>

<b>INCOME (LOSS) BEFORE INCOME TAX</b>	<b>85,332,900</b>	94,904,238	(9,571,338)	(10.09%)	59.9%	69.8%
<b>INCOME TAX EXPENSE</b>	<b>8,574,032</b>	11,461,255	(2,887,223)	(25.19%)	6.0%	8.4%
<b>NET INCOME (LOSS)</b>	<b>₱76,758,868</b>	₱83,442,983	(₱6,684,115)	(8.01%)	(53.9%)	61.4%

### Other Information

- a. There are NO known trends, demands, commitments, events or uncertainties that have or are reasonably likely to have material impact on the Company's liquidity.
- b. The Company has NO material commitments for capital expenditures.
- c. The standards mentioned in SEC Memorandum Circular No. 6 Series of 2013 are not applicable to the Company's interim financial statements as of the period ended September 30, 2023.
- d. There will be no purchase /sale of significant equipment in the next twelve months.
- e. The number of employees will have no significant change in the next twelve (12) months.
- f. Any material commitment for capital expenditures- the Company has NO material commitments for capital expenditures.
- g. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations is not applicable
- h. Any significant elements of income or loss that did not arise from the issuer's continuing operations is not applicable
- i. Any seasonal aspects that had material effect on the financial condition or results of operations is not applicable
- j. The Company activities expose it to a variety of financial risks. The Board of Directors reviews and approves on policies for managing each of these risks namely:

### Key Performance Indicators (KPIs)

The top five (5) key performance indicators of the Company are as follows:

The change in key indicators as of September 30, 2024 as compared to September 30, 2023 and December 31, 2023 noted a significant decrease in all areas due to net loss incurred during each period.

In general, Management is not aware of any material event or uncertainty that has affected the current fiscal period and/or would have a material impact on future operations of the Company.

	<b><u>30 September 2024</u></b>	<b><u>31 Dec. 2023</u></b>	<b><u>30 September 2023</u></b>
<b>Current Ratio</b>	1.53:1	1.32:1	1.87:1
<b><u>Current Assets</u></b>	<u>954,101,391</u>	<u>1,064,990,404</u>	<u>1,087,180,497</u>
Current Liabilities	624,988,859	806,702,765	582,351,287
<b>Quick Ratio</b>	1.52:1	0.07:1	1.86:1
<b><u>Current Assets - Prepayments</u></b>	<u>949,094,304</u>	<u>59,898,676</u>	<u>1,080,410,814</u>
Current Liabilities	624,988,859	806,702,765	582,351,287
<b>Debt to Equity Ratio</b>	0.51:1	0.66:1	0.70:1
<b><u>Total Liabilities</u></b>	<u>709,607,952</u>	<u>891,321,858</u>	<u>965,400,420</u>
Stockholders' Equity	1,399,703,553	1,349,039,916	1,383,369,117
<b>Equity to Debt Ratio</b>	1.97:1	1.51:1	1.43:1
<b><u>Stockholders' Equity</u></b>	<u>1,399,703,553</u>	<u>1,349,039,916</u>	<u>1,383,369,117</u>
Total Liabilities	709,607,952	891,321,858	965,400,420
<b>Book Value Per Share</b>	0.23	0.22	0.22
<b><u>Stockholders' Equity</u></b>	<u>1,399,703,553</u>	<u>1,349,039,916</u>	<u>1,383,369,117</u>
Total # of shares	6,172,497,120	6,172,497,120	6,172,497,120
<b>Earnings (Loss) per share</b>	0.008	0.022	0.015
<b><u>Net Income (Loss)</u></b>	<u>50,663,966</u>	<u>134,103,171</u>	<u>92,892,864</u>
Total # of shares	6,172,497,120	6,172,497,120	6,172,497,120

### **Liquidity Risk**

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking adverse effect to the Company's credit standing.

The company manages liquidity risk by maintaining balance between continuity of funding and flexibility. As part of its liquidity risk management, the Company regularly evaluates its projected cash flows.

The financial assets held by the Company for liquidity purposes consist of cash, all of the Company's financial liabilities are either due and demandable or payable within the year.

### **Equity Price Risk**

Equity price risk is the risk that the value of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to equity price risk because of quoted financial assets held by the Company, which are classified on the financial statements of consolidated balance sheets as AFS financial assets.



## **Financial instruments**

The Company's financial instruments consist of cash. The main purpose of the financial instruments is to fund the Company's operations. The Company has various other financial instruments such as accrued expenses and other payables that arise directly from its operations.

Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of asset) or received (in case of a liability). The initial measurement of financial instruments, except for those financial assets and financial liabilities at fair value through profit or loss (FVPL), includes transaction cost.

On initial recognition, the Company classifies its financial assets in the following categories: Held-for-Maturity (HTM) investments, AFS financial assets, and loans and receivables. The classification depends on the purpose for which the investments were acquired and whether they are quoted in an active market. Management determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates such designation at every financial reporting date.

Under PAS 39, all financial liabilities are recognized initially at fair value and in case of loans and borrowings, plus directly attributable transaction costs. Financial liabilities are classified as FVPL, loans and borrowings and derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual agreement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity net of any related income tax benefits.

The Company's financial assets consist of loans and receivables and AFS investments. The Company's financial liabilities are classified as loans and borrowings. The Company has no financial assets and liabilities at FVPL and HTM investment.

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments and all other financial instruments where there is no active market, fair value is determined by using generally accepted valuation techniques. Such techniques include using arm's length market transactions; reference to the current market value of another instrument, which are substantially the same; discounted cash flow analysis and other valuation models.

## **PART II - OTHER INFORMATION**

There were items for disclosure that were made under SEC Form 17-C during the current interim period (01 January to September 30, 2024).

January 9, 2024	Press Release
March 12, 2024	Appointment of Sycip Gorres Velayo & Co. as the external auditor of the Company for the year 2024
April 15, 2024	Approval of 2023 AFS, Postponement of ASM
May 10, 2024	Notice of Annual Stockholder's Meeting

July 12, 2024

Results of Annual Stockholders' Meeting and Organizational  
Meeting of the Board of Director

**PART III – FINANCIAL SOUNDNESS INDICATORS**

<b><i>Profitability Ratios</i></b>	<b>September 30, 2024</b>	<b>September 30, 2023</b>
Return on Assets	2.40%	3.95%
Return on Equity	3.62%	6.71%
Gross profit margin	100%	100%
Net profit margin	30.98%	33.64%
<b><i>Liquidity and Solvency Ratios</i></b>		
Current Ratio	1.53:1	1.87: 1
Quick Ratio	1.52:1	1.86: 1
Solvency Ratio	3.102:1	1.855: 1
<b><i>Financial Leverage Ratios</i></b>		
Asset to Equity Ratio	1.51:1	1.70: 1
Debt Ratio	0.34:1	0.41: 1
Debt to Equity Ratio	0.51:1	0.70: 1
Interest Coverage Ratio	3.65:1	6.20:1

**Liquidity Ratio**

a. Current Ratio

Total Current Assets/ Total Current Liabilities

b. Quick Ratio

Quick asset / Total Current Liabilities

**Solvency Ratio**

a. Debt Ratio

Total liabilities / Total assets

b. Debt to Equity Ratio

Total liabilities / Shareholder's Equity

**Profitability Ratio**

a. Return on Equity Ratio

Net Income (Loss) / Average shareholder's equity

b. Return on Assets

Net Income (Loss)/ Average Total assets

c. Fixed Assets Turnover Ratio:

Revenue/Property Plant and Equipment

d. Asset to Equity Ratio:

Total Assets / Stockholders' Equity

e. Asset Turnover:

Revenue/Total Assets

f. Interest Coverage Ratio

Earnings (loss) before Interest and Taxes / Interest expense

**SIGNATURE**

Pursuant to the requirements of Section 11 of the RSA and Section 141 of the Corporation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned; thereunto duly authorized, in the City of Makati on \_\_\_\_\_ November 2024.

**EAST COAST VULCAN MINING CORPORATION**


Issuer

Pursuant to the requirements of the Revised Securities Act, this annual report has been signed by the following persons in the capacities and on the dates indicated.

By:



**Hilario G. Pagautan**  
President/CEO



**Ma. Hilarnie Mercurie P. Parada**  
Treasurer

**EAST COAST VULCAN MINING CORPORATION AND SUBSIDIARY**  
**UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Unaudited September 30, 2024	Audited December 31, 2023
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash in bank and on hand	₱6,630,583	₱8,147,811
Trade and other receivables	115,501,658	51,750,865
Advances to related parties	763,845,783	948,319,068
Other current assets	68,123,367	56,871,657
<b>Total Current Assets</b>	<b>954,101,391</b>	<b>₱1,065,089,401</b>
<b>Noncurrent Asset</b>		
Property and equipment	141,825,082	161,998,913
Intangible asset	529,365	516,790
Mining rights and other mining asset	860,367,776	860,367,776
Deferred exploration cost	147,909,653	147,909,653
Deferred tax asset	4,578,238	4,578,238
<b>Total NonCurrent Assets</b>	<b>1,155,210,114</b>	<b>1,175,371,370</b>
<b>TOTAL ASSETS</b>	<b>₱2,109,311,505</b>	<b>₱2,240,460,771</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payable	₱131,592,288	₱105,708,044
Advances from related parties	40,241,446	242,020,027
Loans payable - Current	453,155,125	412,719,643
Installment payable - Current	-	46,354,114
<b>Total Current Liabilities</b>	<b>624,988,859</b>	<b>806,801,828</b>
<b>Noncurrent Liabilities</b>		
Installment payable - Noncurrent	₱66,888,728	₱66,888,728
Retirement benefit liability	17,730,365	17,730,365
<b>Total Noncurrent Liabilities</b>	<b>84,619,093</b>	<b>84,619,093</b>
<b>Total Liabilities</b>	<b>709,607,952</b>	<b>891,420,921</b>
<b>Equity</b>		
Capital stock	6,630,000,000	6,630,000,000
Subscription receivable	(457,502,880)	(457,502,880)
Retained earnings (deficit)	480,968,393	430,304,690
Remeasurement gain on retirement benefit liability	4,845,241	4,845,241
Equity reserve	(5,258,607,201)	(5,258,607,201)
<b>Total Equity</b>	<b>1,399,703,553</b>	<b>1,349,039,850</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱2,109,311,505</b>	<b>₱2,240,460,771</b>

**EAST COAST VULCAN MINING CORPORATION AND SUBSIDIARY**  
**UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	For the Three-months ended September 30,		For the Nine-months ended September 30,	
	2024 Unaudited	2023 Unaudited	2024 Unaudited	2023 Unaudited
<b>REVENUE</b>	<b>₱142,406,823</b>	<b>₱135,948,275</b>	<b>₱163,519,044</b>	<b>₱276,101,014</b>
<b>GENERAL AND ADMIN. EXP.</b>	<b>30,992,889</b>	<b>34,627,840</b>	<b>75,114,277</b>	<b>143,076,543</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>111,413,934</b>	<b>101,320,435</b>	<b>88,404,767</b>	<b>133,024,471</b>
<b>INTEREST EXPENSE</b>	<b>(24,043,831)</b>	<b>(6,952,015)</b>	<b>(24,920,961)</b>	<b>(21,501,931)</b>
<b>OTHER INCOME</b>				
<b>INTEREST INCOME FROM BANK DEPOSITS</b>	<b>458</b>	<b>911</b>	<b>1,228</b>	<b>22,505</b>
<b>OTHER INCOME (CHARGES) - NET</b>	<b>(2,037,661)</b>	<b>534,907</b>	<b>(2,487,535)</b>	<b>(281,808)</b>
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	<b>85,332,900</b>	<b>94,904,238</b>	<b>60,997,499</b>	<b>111,263,237</b>
<b>PROVISION FOR INCOME TAX - CURRENT</b>	<b>8,574,032</b>	<b>11,461,255</b>	<b>10,333,533</b>	<b>18,370,373</b>
<b>COMPREHENSIVE INCOME (LOSS)</b>	<b>₱76,758,868</b>	<b>₱83,442,983</b>	<b>₱50,663,966</b>	<b>₱92,892,864</b>
<b>BASIC/DILUTED LOSSES PER SHARE</b>	<b>(₱0.012)</b>	<b>(₱0.013)</b>	<b>(₱0.008)</b>	<b>₱0.014</b>

**EAST COAST VULCAN MINING CORPORATION AND SUBSIDIARY**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS'**  
**EQUITY**

	<b>For the Nine-months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>CAPITAL STOCK</b>		
Authorized:		
Common shares - ₱1 par value		
12,000,000,000 shares	<b>₱12,000,000,000</b>	<b>₱12,000,000,000</b>
Issued and subscribed:		
Common shares - ₱1 par value		
6,172,497,120 shares	<b>₱6,630,000,000</b>	<b>₱6,630,000,000</b>
Subscription receivable:		
Common shares - ₱1 par value		
₱457,502,880)	<b>(457,502,880)</b>	<b>(457,502,880)</b>
	<b>₱6,172,497,120</b>	<b>₱6,172,497,120</b>
<b>RETAINED EARNINGS</b>		
Beginning	<b>₱430,304,690</b>	<b>₱390,320,819</b>
Add Net (loss) gain during the period	<b>50,663,966</b>	<b>92,892,864</b>
Stock issuance cost	<b>-</b>	<b>-</b>
Ending	<b>480,968,394</b>	<b>483,213,683</b>
<b>EQUITY RESERVE</b>	<b>(5,258,607,201)</b>	<b>(5,274,768,670)</b>
<b>REMEASUREMENT GAIN ON RETIREMENT</b>		
<b>LIABILITY</b>	<b>4,845,241</b>	<b>2,426,984</b>
<b>BALANCE</b>	<b>₱1,399,703,553</b>	<b>₱1,383,369,117</b>

**EAST COAST VULCAN MINING CORPORATION AND SUBSIDIARY**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>For the Nine-months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	<b>₱60,997,499</b>	₱111,263,237
Adjustments for:		
Depreciation and amortization	<b>20,461,271</b>	20,207,177
Interest expense	<b>24,920,961</b>	21,501,931
Interest income	<b>(1,228)</b>	(22,505)
Operating loss before working capital changes	<b>106,378,503</b>	152,949,840
Decrease (increase) in:		
Trade and other receivables	<b>(63,750,793)</b>	(42,724,953)
Advances to related parties	<b>184,473,285</b>	(60,531,264)
Other current assets	<b>(11,251,711)</b>	(965,329,012)
Increase (decrease) in:		
Trade and other payables	<b>25,883,981</b>	73,739,274
Loan payable current	<b>(5,918,632)</b>	175,973,980
Advances from related parties	<b>(201,778,581)</b>	332,638,033
Net cash flows from operations	<b>34,036,053</b>	(333,284,102)
Income taxes paid	<b>(10,333,533)</b>	-
Interest	<b>(24,920,961)</b>	(21,501,931)
Interest received	<b>1,228</b>	22,505
Net cash flows from (used in) operating activities	<b>(1,217,213)</b>	(354,763,528)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Mine and mine properties	<b>(300,015)</b>	198,525,279
Additions to property and equipment	<b>-</b>	(208,215,615)
Net cash (used in) investing activities	<b>(300,015)</b>	(9,690,336)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payments of loans payable	<b>-</b>	352,967,046
Payments of installment payable	<b>-</b>	30,082,087
Net cash from (used in) Financing activities	<b>-</b>	383,049,133
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(1,517,228)</b>	18,595,268
<b>CASH AT BEGINNING OF YEAR</b>	<b>8,147,811</b>	-
<b>CASH AT END OF YEAR</b>	<b>₱6,630,583</b>	₱18,595,268

# **EAST COAST VULCAN MINING CORPORATION AND SUBSIDIARY**

(Formerly East Coast Vulcan Corporation)

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## **NOTES TO FINANCIAL STATEMENTS**

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### **1. Corporate Information and Status of Operations**

#### Corporate Information

East Coast Vulcan Corporation (formerly, Vulcan Industrial & Mining Corporation, ECVC, the Parent Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on January 13, 1953 and was listed in the Philippine Stock Exchange (PSE) on August 31, 1970. The primary and secondary purpose of ECVC is as a holding company and such other purposes as management deems fit and in the best interest of the Parent Company.

#### *ECVC and ECMRCI Share-for-Share Swap Transaction*

On July 1, 2021, the Parent Company entered into a Memorandum of Agreement (MOA) with the majority stockholders (HGP Group) of East Coast Mineral Resources Company Incorporated (ECMRCI) for the latter's subscription up to 5,180.00 million shares of ECVC arising from the increase in authorized capital stock. Upon approval of the SEC on May 29, 2023, the Parent Company issued 5,180,000,000 common shares with par value of ₱1 per share to HGP Group in exchange for the 100% outstanding shares of ECMRCI ("the Share Swap transaction") which resulted in ECVC obtaining 100% interest in and control over ECMRCI. ECVC and its subsidiary, ECMRCI, are referred to as "the Group".

#### *Status of Operations*

As of April 15, 2024, the Group is a holder of three Mineral Product and Sharing Agreements (MPSA):

- MPSA-078-97-XIII-SMR issued on November 19, 1997 covering an area of 697.05 hectares in the Municipality of Cagdianao, Dinagat Islands. On March 22, 2022, the Mines and Geosciences Bureau (MGB) ordered the renewal of the MPSA between the Government and the Group for another twenty-five years. Exploration is done by and with Cagdianao Mining Corporation under a Memorandum of Agreement to explore and to operate for a period of 25 years which were renewed until 2047 (see Note 22).
- MPSA-233-2007-XIII-SMR issued in 2007 covering an area of 4,226.27 hectares in the Municipality of Libjo, Dinagat Islands. As an outcome of exploration works conducted, the area has a positive Nickel Ore Reserve of 30 million wet metric ton (WMT). Exploration is done by and with various operators, Libjo Mining Corporation, Westernshore Nickel Corporation and Norte Este Corporation, under a Memorandum of Agreement to explore and to operate during the lifetime of the MPSA (see Note 22).
- MPSA-232-2007-XIII-SMR covering an area of 248 hectares in the Municipality of Surigao del Norte, Hibuson Island. The area is now being explored by and with Oriental Vision Mining Philippines Corporation (OVMPC) (see Note 22).

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

#### **Basis of Preparation**

The Group's and Parent Company's consolidated and parent company financial statements have been prepared under the historical cost basis. The consolidated and parent company financial statements are presented in Philippine peso (₱), which is the Group's and Parent Company's functional currency. All amounts are rounded to the nearest Philippine Peso,



except as otherwise stated.

### ***Acquisition of ECMRCI***

As discussed in Note 1, ECVC and HGP Group entered into a Share Swap transaction that resulted in ECVC owning 100% of ECMRCI.

The Share Swap transaction is an asset acquisition because ECMRCI was deemed to be the accounting acquirer for accounting purposes accounted for under the reverse acquisition method following the guidance provided by the standard. In a reverse acquisition, the legal parent, ECVC is identified as the acquiree for accounting purposes because based on the substance of the transaction, the legal subsidiary ECMRCI is adjudged to be the entity that gained control over the legal parent. Accordingly, the consolidated financial statements of ECVC have been prepared as a continuation of the financial statements of ECMRCI. ECMRCI has accounted for the acquisition of ECMRCI on May 29, 2023, which was the date when ECMRCI acquired or gained control over ECVC.

The Group determined that ECMRCI obtained control over ECVC upon issuance of shares on May 29, 2023. As allowed under PFRS 3, *Business Combinations*, an entity may designate an acquisition date of the end or the beginning of a month (convenience date), the date on which it closes its books, rather than the actual acquisition date. The Group determined that the date of acquisition is on May 31, 2023 (convenience date) rather than the actual date of issuance of shares there are no material transactions that occurred from May 29, 2023 to May 31, 2023.

The Share Swap transaction was a transaction between entities under common control since at acquisition date on May 31, 2023, ECVC and ECMRCI are under the common control of HGP Group.

The comparative December 31, 2022 and January 1, 2022 information presented in the consolidated statements of changes in equity is that of ECMRCI, not originally presented in the previous financial statements of the legal parent (the Parent Company - accounting acquiree) and is also retroactively adjusted to reflect the legal capital (i.e., the number and type of capital stock issued) of ECVC. The adjustment, which is the difference between the capital structure of ECVC and ECMRCI, is recognized as part of the equity reserve in the consolidated statements of financial position as at December 31, 2023 and 2022.

Because the accompanying consolidated financial statements represent a continuation of the financial statements of ECMRCI, except for its capital structure, the consolidation reflects:

- a. The consolidated assets and liabilities of ECMRCI (legal subsidiary/accounting acquirer) recognized and measured at their pre-combination carrying amounts and not at fair value, and the assets and liabilities of ECVC (legal parent/accounting acquiree), consisting of cash, prepayments, office equipment, trade and other payables and due to related parties, recognized and measured at acquisition cost;
- b. The retained earnings of ECMRCI for the full period together with the post-combination results of ECVC from May 31, 2023, the date when ECVC was acquired by ECMRCI;
- c. The total equity that shows the combined equity of ECVC and ECMRCI with the legal capital of ECMRCI eliminated as the legal capital reflected would be that of ECVC (legal parent);
- d. Any difference between the consideration transferred by ECVC and the legal capital of ECMRCI that is eliminated is reflected as "Equity reserve".
- e. The consolidated statements of comprehensive income for the year ended December 31, 2022 and 2021 reflect that of ECMRCI for the full period.

Reverse acquisition applies only to the consolidated financial statements. The Parent Company financial statements will continue to represent ECVC as a stand-alone entity as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023.

**Statement of Compliance**

The consolidated and parent company financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs).

**Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Group as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023. The financial statements of the subsidiary are prepared for the same reporting year as the Parent Company using uniform accounting policies. When necessary, adjustments are made to the separate financial statements of the subsidiary to bring its accounting policies in line with the Parent Company's accounting policies.

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

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

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

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests (NCI), even if this results in the NCI having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, NCI and other components of equity while any resulting gain or loss is recognized in the consolidated statement of income. Any investment retained is recognized at fair value.

NCI represents the interests in the subsidiaries not held by the Parent Company and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position, separately from equity attributable to holders of the Parent Company. NCI shares in losses even if the losses exceed the NCI in the subsidiary.

## ***Changes in Accounting Policies and Disclosures***

### **Changes in Accounting Policies**

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments effective as at January 1, 2023. Unless otherwise indicated, adoption of the new standard did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance. The amendments have had an impact on the Group’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the consolidated financial statements.

- Amendments to PAS 8, *Definition of Accounting Estimates*

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

The amendments had no material impact to the Group’s consolidated financial statements.

- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as ‘Pillar Two legislation’ and ‘Pillar Two income taxes’, respectively.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023.

#### Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. The adoption of future accounting standards is not expected to have a material impact on the Group’s consolidated financial statements and parent company’s financial statements.

#### *Effective beginning on or after January 1, 2024*

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

#### *Effective beginning on or after January 1, 2025*

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

#### *Deferred effectivity*

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

#### ***Summary of Material Accounting Policies***

The accounting policies set out below have been applied consistently to all periods presented in the Group’s consolidated and parent company’s financial statements, unless otherwise indicated.

#### Presentation of Financial Statements

The Group has elected to present all items of recognized income and expense in two statements: a statement displaying components of profit or loss (consolidated and parent company statement of income) and a second statement beginning with profit or loss and displaying components of OCI (consolidated and parent company statement of comprehensive income).

### 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 economic best interest.

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

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated and parent company 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 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.

### Financial Instruments

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

### *Financial Assets: Initial Recognition and Measurement*

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. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs.

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

### *Contractual Cash Flows Characteristics*

If the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the Group assesses whether the cash flows from the financial asset represent 'solely payments of principal and interest' (SPPI) on the principal amount outstanding.

In making this assessment, the Group determines whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes consideration only for the time value of money, credit risk and other basic lending risks and costs associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI on the principal amount outstanding.

### *Financial Assets: Subsequent Measurement*

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

- Financial assets at amortized cost (debt instruments);
- Financial assets at FVTPL;
- Financial assets at fair value through other comprehensive income (FVOCI), where cumulative gains or losses previously recognized are reclassified to profit or loss (debt instruments); and
- Financial assets at FVOCI, where cumulative gains or losses previously recognized are not reclassified to profit or loss (equity instruments).

The Group's financial assets are all classified and measured at amortized cost.

### *Financial Assets at Amortized Cost*

This category is most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

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

These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest (EIR) method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortization is included in “Interest income” in the statements of comprehensive income and is calculated by applying the EIR to the gross carrying amount of the financial asset, except for (i) purchased or originated credit-impaired financial assets and (ii) financial assets that have subsequently become credit-impaired, where, in both cases, the EIR is applied to the amortized cost of the financial asset.

The Group’s financial asset at amortized cost includes cash in bank.

#### *Impairment of Financial Assets*

The Group recognizes expected credit losses (ECLs) for all debt instruments not held at FVTPL. 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 measured in a way that reflects the following:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial assets migrate through the following three stages based on the change in credit quality since initial recognition:

#### *Stage 1: 12-month ECL*

For credit exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of lifetime ECLs that represent the ECLs that result from default events that are possible within the 12 months after the reporting date are recognized.

#### *Stage 2: Lifetime ECL - not credit-impaired*

For credit exposures where there has been a significant increase in credit risk since initial recognition on an individual or collective basis but are not credit-impaired, lifetime ECLs representing the ECLs that result from all possible default events over the expected life of the financial asset are recognized.

#### *Stage 3: Lifetime ECL - credit-impaired*

Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are recognized and interest revenue is calculated by applying the credit-adjusted EIR to the amortized cost of the financial asset.

For cash in bank, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group uses the rating from external credit agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### *Financial Liabilities: Initial Recognition and Measurement*

Financial liabilities are classified, at initial recognition, as FVTPL, at amortized cost 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 financial liabilities at amortized cost, net of directly attributable transaction costs.

The Group's financial liabilities are all classified and measured at amortized cost.

#### *Subsequent Measurement – Financial Liabilities at Amortized Cost*

This is the category most relevant to the Group. After initial recognition, interest-bearing financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statements of comprehensive income when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as "Interest expense" in the statements of comprehensive income.

The Group's financial liabilities at amortized cost consist of trade and other payables, due to related parties, loans payable and installment payable.

#### *Reclassifications of Financial Instruments*

The Group reclassifies its financial assets when, and only when, there is a change in the business model for managing the financial assets. Reclassifications shall be applied prospectively by the Group and any previously recognized gains, losses or interest shall not be restated. The Group does not reclassify its financial liabilities.

#### Derecognition of Financial Assets and Liabilities

##### *Financial Assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

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



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

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

#### *Financial Liabilities*

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

#### Offsetting of Financial Instruments

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

#### Prepayments and Other Current Assets

Prepayments and other current assets are composed of prepaid expenses, creditable withholding taxes (CWTs), advances to suppliers and contractors, and input value-added tax (VAT). These are classified as current when these are probable to be realized within one year from the end of the reporting period. Otherwise, these are classified as noncurrent assets.

#### Property and Equipment

Property and equipment are carried at cost, excluding the cost of day-to-day servicing, less accumulated depreciation and any accumulated impairment in value. The initial cost of an item of property and equipment consists of its purchase price including import duties, taxes, and any directly attributable costs of bringing the asset to its working condition and location of its intended use. Such costs include the cost of replacing part of such property and equipment when that cost is incurred, only if the recognition criteria are met. Expenditures incurred after the asset has been put into operation, such as repairs and maintenance, are normally charged to statement of comprehensive income in the period in which the costs are incurred.

In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the

expenditures are capitalized as an additional cost of property and equipment. Major maintenance cost that are capitalized as part of property and equipment are depreciated on straight-line basis over the shorter of their estimated useful life, typically the period until the next major maintenance or inspection.

Depreciation of property and equipment is computed using the straight-line basis, net of any estimated residual value, over their estimated useful lives as follows:

Category	Number of Years
Building and other structures	5
Furniture and fixtures	5
Office equipment	5
Tools and Equipment	5
Communications Equipment	5
Transportation equipment	7
Other equipment	5

Depreciation of property and equipment begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation do not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated and amortized. Depreciation of an asset ceases when the asset is derecognized.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of an item shall be depreciated and amortized separately.

The useful lives and depreciation method are reviewed at each reporting date to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the property and equipment) is recognized in the statements of comprehensive income in the year the property and equipment is derecognized.

When items of property and equipment are retired or otherwise disposed of, their cost and related accumulated depreciation and amortization and any impairment in value are eliminated from the accounts and any resulting gain or loss on disposal is included in the statements of comprehensive income. Fully depreciated and amortized assets are retained in the accounts until they are no longer in use and no further depreciation is recorded.

#### Intangible Asset

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization in the case of intangible assets with finite useful lives, and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the asset's useful or economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization shall

begin when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The amortization period and method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization on intangible assets with finite lives is recognized in the statements of comprehensive income consistent with the function of the intangible asset.

The Group's intangible asset pertains to the acquired computer software, which is estimated to have a useful life of five (5) years.

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

#### *Mining Rights*

Mining rights pertain to the right of the Group as the holder of the MPSA-078-97-XIII-SMR located in Cagdianao, Dinagat Islands and MPSA-233-2007-XIII-SMR located in Libjo, Dinagat Islands. The mining rights is acquired through the assignment of MPSA from CMC, LMC, Norte Este and WNC.

Mining rights with finite useful life is stated at cost less amortization and accumulated impairment in value. Impairment assessments are made if events or changes in circumstances indicate that a carrying value of the assets may not be recoverable.

The net carrying amount of mining rights of the Group is amortized using the units of production method based on the estimated economically recoverable reserves to which they relate or are written off if the properties covered by the mining rights are abandoned.

#### Deferred Mine Exploration Costs

Costs incurred during the start-up phase of a mine are expensed as incurred. Ongoing mining expenditures on producing properties are charged against earnings as incurred.

Expenditures for mine exploration work prior to drilling are charged to operations. When it has been established that a mineral deposit is commercially mineable and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the

mineral deposit), the costs subsequently incurred to develop a mine on the property prior to the start of mining operations are capitalized. Upon the start of commercial operations, such costs are transferred to mine and mining properties under "Property and equipment".

Capitalized amounts may be written down if future cash flows, including potential sales proceeds related to the property, are projected to be less than the carrying value of the property. If no mineable ore body is discovered, capitalized acquisition costs are expensed in the period in which it is determined that the mineral property has no future economic value.

Major development expenditures incurred to expose the ore, increase production or extend the life of an existing mine are capitalized.

#### Impairment of Nonfinancial Assets

##### *Nonfinancial prepayments and other current and noncurrent assets*

The Group assesses at each financial reporting date, its prepayments and other current assets and deposits and other noncurrent assets to determine whether there is any indication that the assets may be impaired. If there is an indication of possible impairment, the recoverable amount of prepayments and other current assets and deposits and other noncurrent assets is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in the statements of comprehensive income.

The Group provides allowance for impairment losses on nonfinancial prepayments and other current assets and deposits and other noncurrent assets when they 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 impairment losses would increase recorded expenses and decrease prepayments and other current assets and deposits and other noncurrent assets.

##### *Property and equipment, intangible assets and mining rights*

The Group assesses at each financial reporting date whether there is an indication that property and equipment may be impaired. If any such indication exists, or when the annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell (FVLCS) and its value-in-use (VIU) and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining FVLCS, an appropriate valuation model is used, with the calculations corroborated by other available fair value indicators. Any impairment loss is recognized in the statements of comprehensive income in those expense categories consistent with the function of the impaired asset.

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

#### Deferred exploration costs

An impairment review is performed, either individually or at the CGU level, when there are indicators that the carrying amount of the assets may exceed their recoverable amounts. To the extent that this occurs, the excess is fully provided against, at the end of the reporting period in which this is determined.

Deferred exploration costs are reassessed on a regular basis. Facts and circumstances that would require an impairment assessment as set forth in PFRS 6, *Exploration for and Evaluation of Mineral Resources*, are as follows:

- The period for which the Group has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed
- Substantive expenditure on further exploration and evaluation of mineral resources in the specific area is neither budgeted nor planned
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area
- When a service contract where the Group has participating interest in is permanently abandoned, and
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

#### Retirement Benefits Costs

The Group has a non-funded, non-contributory defined retirement benefit plan covering substantially all its employees. The retirement benefits costs are actuarially determined using the projected unit credit method and incorporates assumptions concerning employees' projected salaries.

Retirement benefits costs comprise of the following:

- Service cost
- Net interest on the net retirement benefit liability or asset
- Remeasurements of net retirement benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in statements of comprehensive income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest cost on the retirement benefit liability or asset is the change during the period in the net retirement liability that arises from the passage of time which is determined by applying the discount rate in government bonds to the net retirement benefit liability, determined at the start of the period, after considering any payments to the net retirement benefit liability during the period. Interest on the retirement benefit liability is recognized as finance expense in the statements of comprehensive income.

Remeasurements comprising actuarial gains and losses were previously recognized immediately in statements of comprehensive income in the period in which they arise.

#### Capital Stock

The Parent Company has issued capital stock that is classified as equity and recorded at par. Incremental costs incurred directly attributable to the issuance of new shares are deducted from additional paid-in capital (APIC). If APIC is not sufficient, the excess is charged against retained earnings (deficit).

#### Subscription Receivable

Subscription receivable pertains to the amount of subscribed capital stock less the amount paid-up. Subscription receivable is presented as deduction from capital stock.

#### Basic/Diluted Earnings/Losses Per Share

Basic earnings/losses per share is computed by dividing net loss attributable to equity holders of the Group for the year by the weighted average number of common shares outstanding during the year after giving retroactive effect to stock dividends declared and stock rights exercised during the year, if any. The Group currently does not have potential dilutive common shares.

#### Retained earnings (deficit)

Retained earnings (deficit) includes accumulated profits and losses attributable to the Group's stockholders. Retained earnings (deficit) may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

#### Equity Reserve

Equity reserve represents the residual amount recognized in the consolidated financial statements to reflect the equity of the legal subsidiary (accounting acquirer) before the business combination, which was accounted for as a reverse acquisition. However, the equity structure (i.e., the number and type of equity instruments issued) still reflects the equity structure of the legal parent (accounting acquiree), including the equity instruments issued by the legal parent to effect the combination.

#### Reverse Acquisitions

Consolidated financial statements prepared following a reverse acquisition are issued under the name of the legal parent (accounting acquiree) but described in the notes as a continuation of the financial statements of the legal subsidiary (accounting acquirer), with one adjustment, which is to adjust retroactively the accounting acquirer's legal capital to reflect the legal capital of the accounting acquiree. That adjustment is required to reflect the capital of the legal parent (the accounting acquiree). Comparative information presented in those consolidated financial statements also is retroactively adjusted to reflect the legal capital of the legal parent (accounting acquiree).

#### Combination of Entities under Common Control

Combination of entities under common control are accounted for by applying the pooling-of-interest method. The pooling-of-interests method generally involved the following:

- The assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts. No adjustments are made to reflect fair value or recognize any new assets or liabilities at the date of combination. The only adjustments that are made are those adjustments to harmonize the accounting policies.
- No new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the entity acquired is reflected within equity.

- The consolidated statement of income, comprehensive income and cash flows reflect the result of the combining entities in full, irrespective of when the combination takes place. Comparative financial information are presented as if the entities had always been combined, or on the date the common control existed on the combining entities, whichever comes earlier. The effects of any intercompany transactions are eliminated to the extent possible. OCI includes items of income and expenses (including items previously presented under statement of changes in equity) that are not recognized in the statement of comprehensive income for the year in accordance with PFRSs.

#### Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent.

The following specific recognition criteria must also be met before revenue is recognized:

#### *Royalty income*

Royalty income is main source of revenue and is recognized from the share of sale of export of raw minerals by the Operators which rate is equivalent to certain percentage of gross receipts as stated in the agreements with various Operators.

#### *Commission and marketing income*

Commission income is recognized either based on the ore price per WMT at the date of loading and also equivalent to certain percentage of gross receipts depending on the agreement with various operators.

#### *Other income*

Other income is recognized as they are earned.

#### Expense Recognition

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decreases of assets or incurrence of liabilities that result in decreases in equity other than those relating to distributions to equity participants. Costs and expenses are recognized when the services are used, or the expense arises.

#### *General and administrative expenses*

General and administrative expenses consist of costs associated with the development and execution of day-to-day operations of the Group. These are generally recognized when the service is incurred or the related expense arises.

#### *Other charges*

Other charges are recognized as they are incurred.

#### Income Taxes

##### *Current Income Tax*

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions when appropriate.

#### *Deferred Income Tax*

Deferred income tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits and unused net operating loss carry-over (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward benefits of unused tax credits and unused NOLCO can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences.

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

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

#### OCI

OCI comprises items of income and expense (including items previously presented under the consolidated statement of changes in equity) that are not recognized in profit or loss for the year in accordance with PFRSs.

#### Segment Reporting

An operating segment is a component of an entity that: (a) engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity); (b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

The Group has only one business and geographical segment.

#### Related Party Transactions

Transactions with related parties accounted for based on the nature and substance of the agreement, and financial effects are included in the appropriate asset, liabilities, income and expense accounts.

#### Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic



benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

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

#### Contingencies

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

#### Events After the Reporting Date

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are non-adjusting events are disclosed in the notes to the financial statements when material.

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### **3. Significant Accounting Judgments, Estimates and Assumptions**

The Group's financial statements prepared in accordance with PFRSs require management to make judgment, estimates and assumptions that affect the amounts reported in the financial statements and related notes. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the Group's financial statements. Actual results could differ from such estimates.

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.

#### Judgments

In the process of applying the Group's accounting policies, management has made the following significant judgments, apart from those including estimations and assumptions, which have the most significant effect on the amounts recognized in the financial statements.

#### *Accounting for the reverse acquisition of ECVV and ECMRCI*

As discussed in Notes 1 and 2, as at May 31, 2023, the equity share swap transaction between ECVV and ECMRCI became effective.

Management judgment was required to determine that ECVV did not meet the definition of a "business" and should not be accounted for as a business combination.

#### *Combination of Entities under Common Control*

A combination involving entities or business under common control is a combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the acquisition, and that is control is not transitory.

The Share Swap transaction was a transaction between entities under common control since at acquisition date on May 31, 2023, ECVV and ECMRCI are under the common control of HGP Group.

#### Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### *Estimating Allowance for ECL on Trade and Other Receivables and Due from Related Parties*

The Group uses a provision matrix to calculate ECLs for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every end of the reporting period, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECLs on the Group's trade and other receivables is disclosed in Note 5.

For the Group's advances to related parties, the ECL is based on the 12-month ECL. The 12-month ECL is the proportion of lifetime ECL that results from default events on a financial instrument that are possible within twelve (12) months after the end of the reporting period. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward looking information. Significant management's judgment and estimate is also required to determine the realizable amount of the financial asset based on cashflow forecast, which requires the use of significant assumptions.

As at December 31, 2023 and 2022, the carrying values of the Group's trade receivables amounted to ₱47,197,489 and ₱5,476,968, respectively, and the carrying values of the Group's due from related parties amounted to ₱946,674,520 and ₱574,819,396. No allowance for expected credit losses were recognized as of December 31, 2023 and 2022 (see Notes 5 and 18).

#### *Assessing Recoverability of Mining Rights*

The application of the Group's accounting policy for mining rights requires judgements in

determining whether it is likely that future economic benefits are certain. Mining rights shall be assessed for impairment when facts and circumstances suggest that the carrying amounts exceed the recoverable amounts. Estimates and assumptions made may change if new information becomes available. If, after mining rights are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written-off in the statements of comprehensive income in the period when the new information becomes available. An impairment loss is recognized when the carrying value of these assets do not exceed their fair value.

As at September 30, 2024 and December 31, 2023, mining rights amounted to ₱860,367,776 and ₱860,367,776, respectively. No allowance for impairment loss on mining rights were recognized as of September 30, 2024 and December 31, 2023.

#### *Estimating the Recoverability of Deferred Exploration Costs*

The application of the Group's accounting policy for deferred mine exploration costs requires judgment and estimates in determining whether it is likely that the future economic benefits are certain, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after mine exploration costs are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written-off and is recognized in the statement of comprehensive income in the period when the new information becomes available.

The Group reviews the carrying values of its mineral property interests whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts. An impairment loss is recognized when the carrying values of these assets are not recoverable and exceeds their fair value. There were no impairment losses recognized on the Group's deferred mine exploration costs in 2023 and 2022. No allowance for impairment loss was provided for deferred mine exploration costs as at September 30, 2024 and December 31, 2023. Deferred exploration costs amounted to ₱147,909,653 and nil as at September 30, 2024 and December 31, 2023, respectively.

#### *Estimating Realizability of Deferred Income Tax Assets*

The Group reviews the carrying amounts of deferred income tax assets at each reporting date and reduces the amounts to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred income tax assets to be utilized in the future.

The Parent Company did not recognize deferred tax assets on carryforward benefits of unused NOLCO amounting to ₱93,310,511 and ₱8,235,512 million as of December 31, 2023 and 2022, respectively, as management assessed that it is not probable that sufficient future taxable income will be available to allow all or part of deferred income tax assets to be utilized in the future .

The Group recognized deferred tax assets amounting to ₱19,059,772 and ₱6,139,319 and ₱6,085,389 million as of September 30, 2024 and December 31, 2023, respectively.

#### 4. Cash

	Consolidated		Parent Company	
	September 30, 2024	2023	September 30, 2024	2023
Cash on hand	<b>₱130,000</b>	₱68,374	<b>₱125,000</b>	₱100,000
Cash in bank	<b>6,500,583</b>	8,079,437	<b>113,427</b>	63,377
	<b>₱6,630,583</b>	₱8,147,811	<b>₱238,427</b>	₱163,377

Cash in bank generally earn interest based on prevailing bank deposit rates. Interest income earned from cash in bank, net of final taxes withheld.

#### 5. Trade and Other Receivables

	Consolidated		Parent Company	
	September 30, 2024	2023	September 30, 2024	2023
Trade receivables				
Related parties	<b>₱-</b>	₱34,051,658	<b>₱-</b>	₱-
Third parties	<b>111,884,827</b>	13,145,831	<b>-</b>	-
Advances to employees	<b>3,616,830</b>	4,553,376	<b>-</b>	-
	<b>₱115,501,657</b>	₱51,750,865	<b>₱-</b>	₱-

Trade receivables are noninterest-bearing and are generally settled within 30 days.

Advances to employees are noninterest-bearing and are normally liquidated within 14 days upon receipt.

##### Aging of Third Parties Receivable September 30, 2024

	Current	Days past due				Total
		< 30 days	30-60 days	61-90 days	>91 days	
Trade and other receivables	<b>₱-</b>	₱27,651,983	₱9,416,344	₱74,816,498	<b>₱-</b>	<b>₱111,884,825</b>
<b>Total</b>	<b>₱-</b>	<b>₱27,651,983</b>	<b>₱9,416,344</b>	<b>₱74,816,498</b>	<b>₱-</b>	<b>₱111,884,825</b>

December 31, 2023

	Current	Days past due				Total
		< 30 days	30-60 days	61-90 days	>91 days	
Trade and other receivables	<b>₱</b>	₱47,197,489	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱47,197,489</b>
<b>Total</b>	<b>₱-</b>	<b>₱47,197,489</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱47,197,489</b>

#### 6. Prepayments and Other Current Assets

	Consolidated		Parent Company	
	September 30, 2024	2023	September 30, 2024	2023
Creditable withholding taxes	<b>₱60,996,706</b>	₱49,208,272	<b>₱-</b>	₱-
Prepayments	<b>5,007,087</b>	6,769,684	<b>-</b>	-
Input VAT	<b>941,023</b>	893,701	<b>941,023</b>	794,638
Mining and office supplies	<b>1,178,551</b>	-	<b>-</b>	-
	<b>₱68,123,367</b>	₱56,871,657	<b>₱941,023</b>	₱794,638

CWTs, which are claimed against the income tax due, are carried over in the succeeding period for the same purpose.

Prepayments pertain to those expenses paid in advance which are to be amortized within 12 months from the end of the financial reporting period.

Input VAT, which is presented net of output VAT, represents taxes paid on purchases of goods and services which can be recovered as tax credit against future VAT liability of the Group.

## 7. Property and Equipment

September 30, 2024 Consolidated								
	Land	Building and other structures	Furniture and fixtures	Office equipment	Transportation equipment	Other Equipment	Mining & Heavy Equipment	Total
<b>Cost:</b>								
Beginning balances	5,300,000	9,200,000	2,670,587	4,354,024	81,032,049	894,930	196,416,407	299,867,997
Additions	–	–	–	210,800	–	–	–	210,800
Ending balances	5,300,000	9,200,000	2,670,587	4,555,824	81,032,049	894,930	196,416,407	300,069,797
<b>Accumulated depreciation</b>								
Beginning balances	–	9,200,000	2,521,537	3,445,013	50,311,667	586,121	71,804,747	137,869,085
Depreciation (Note 16)	–	–	24,390	256,574	4,476,398	80,163	15,538,106	20,375,631
Ending balances	–	9,200,000	2,545,927	3,701,587	54,788,065	666,284	87,342,853	158,244,716
Net book values	₱5,300,000	₱–	₱124,660	₱854,237	₱26,243,984	₱228,646	₱109,073,554	₱141,825,082

2023 Consolidated								
	Land	Building and other structures	Furniture and fixtures	Office equipment	Transportation equipment	Other Equipment	Mining & Heavy Equipment	Total
<b>Cost:</b>								
Beginning balances	₱5,300,000	₱9,200,000	₱2,507,987	₱4,165,982	₱73,866,034	₱747,057	₱51,394,085	₱147,181,145
Acquired through reverse acquisition (Note 14)	–	–	–	43,663	–	–	–	43,663
Additions	–	–	162,600	122,547	7,166,015	147,873	145,022,322	152,621,357
Ending balances	5,300,000	9,200,000	2,670,587	4,332,194	81,032,049	894,930	196,416,407	299,846,165
<b>Accumulated depreciation</b>								
Beginning balances	–	9,200,000	2,507,987	3,050,687	44,321,435	497,178	51,394,086	110,971,373
Depreciation (Note 16)	–	–	13,550	372,494	5,990,231	88,943	20,410,661	26,875,879
Ending balances	–	9,200,000	2,521,537	3,423,181	50,311,667	586,121	71,804,747	137,847,252
Net book values	₱5,300,000	₱–	₱149,050	₱909,013	₱25,217,644	₱308,809	₱130,114,397	₱161,998,913

Total additions to property and equipment includes non-cash additions amounting to ₱ 145,022,321 and ₱5,857,500 in 2023 and 2022, respectively, which pertains to equipment financing availed from a bank.

<b>Parent Company</b>		
	<b>September 30, 2024</b>	<b>2023</b>
Cost:		
Beginning balance	<b>₱65,495</b>	₱65,495
Additions	—	—
Ending balance	<b>65,495</b>	65,495
Accumulated depreciation		
Beginning balances	<b>46,392</b>	13,645
Depreciation	<b>19,103</b>	32,747
Ending balance	<b>65,495</b>	46,392
<b>Net book value</b>	<b>₱-</b>	₱19,103

The Group does not have property and equipment that are idle as at September 30, 2024 and December 31, 2023.

#### 8. Trade and Other Payables

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>September 30, 2024</b>	<b>2023</b>	<b>September 30, 2024</b>	<b>2023</b>
Trade payables	<b>₱100,853,375</b>	₱86,353,554	<b>₱-</b>	₱-
Output VAT	<b>18,561,752</b>	9,574,743	—	—
Statutory payables	<b>8,485,640</b>	7,736,635	<b>10,000</b>	10,000
Accrued expenses and others	<b>3,691,522</b>	2,043,375	<b>3,691,522</b>	2,053,377
	<b>₱131,592,289</b>	₱105,708,307	<b>₱3,701,522</b>	₱2,063,377

Trade payables are liabilities incurred by the Group for the purchase of services from suppliers. These are noninterest-bearing and are normally settled in a 30-day term.

Statutory payables include, among others, Social Security System (SSS) and PAG-IBIG premiums payable which are payable to Philippine government.

Accrued expenses and others are payables for services already rendered to the Group which are not yet billed as at year-end and are generally settled in 30-90 days' term.

## 9. Equity

### *Capital stock*

Authorized:	September 30, 2024	2023
Common shares - ₱1 par value in 2023		
12,000,000 shares in 2023	<b>12,000,000,000</b>	12,000,000,000
Issued:		
Common shares - ₱1 par value in 2023 and 2022		
₱6,143,944,338 shares in 2023 and 2022	<b>₱6,143,944,338</b>	₱6,143,944,338
Subscribed:		
Common shares - ₱1 par value in 2023 and 2022		
486,055,662 shares in 2023 and 2022 (net of subscriptions receivable of ₱457,502,880)	<b>28,552,782</b>	28,552,782
	<b>₱6,172,497,120</b>	₱6,172,497,120

In 2021, the Parent Company entered into a MOA with majority stockholders of ECMRCI for the latter's subscription up to 5.18 billion shares of the Parent Company arising from the increase in authorized capital stock. Such increase in authorized capital stock from 4 billion shares to 12 billion shares has been approved by the BOD and Stockholders.

On May 29, 2023, the SEC approved the Parent Company's application for the amendment of Articles of Incorporation in relation to the increase in authorized capital stock from 4,000,000,000 shares to 12,000,000,000 shares. On the same date, the Parent Company issued 5,100,000,000 common shares with par value of ₱1 per share to HGP Group in exchange for the 100% outstanding shares of ECMRCI. The Group incurred ₱73,141,470 transactions costs in relation to the issuance of the capital stock, which the Parent Company availed from its related parties.

The table below provides information regarding the number of stockholders of the Parent Company as of September 30, 2024, 2023, and 2022:

	September 30, 2024	2023	2022
Common shares	<b>1,907</b>	1,908	1,901

The following table presents the track record of registration of capital stock:

Year Approval	No. of shares Registered	No. of shares Issued	Par Value
Prior to 2023	4,000,000,000	992,497,120	<b>₱1.00</b>
2023	8,000,000,000	5,180,000,000	1.00
Total	12,000,000,000	6,172,497,120	



Net cash inflow on acquisition is as follows:

Cash consideration	P-
Less cash acquired with the subsidiary <sup>(a)</sup>	163,339
Net cash inflow	P163,339

<sup>(a)</sup>Cash acquired with the subsidiary is included in investing activities in consolidated statement of cash flows.

## 10. Revenues

	Consolidated			Parent Company		
	September 30, 2024	2023	2022	September 30, 2024	2023	2022
Royalty income	P51,666,474	P161,685,814	P435,183,065	P-	P-	P-
Commission and marketing income	62,081,545	125,482,671	168,204,287	-	-	-
Others	49,771,025	88,277,284	9,000,000	-	-	-
	P163,519,044	P375,445,769	P612,387,352	P-	P-	P-

Royalty and commission and marketing income are earned equivalent to a certain percentage of the gross sales of all ores sold for the mineral properties covered by the operating agreements.

Other income pertains to equipment rental and mining lease.

## 11. Operating Expenses

	Consolidated			Parent Company		
	September 30, 2024	2023	2022	September 30, 2024	2023	2022
Amortization of mining rights (Note 9)	P-	P65,303,172	P54,050,448	P-	P-	P-
Depreciation and amortization	20,461,271	27,025,016	5,237,661	19,103	32,748	13,645
Professional and consultant fees	13,595,223	12,221,431	6,262,324	4,307,368	4,691,825	3,307,269
Management fee	8,175,952	18,772,288	30,570,472	-	-	-
Salaries and wages	8,050,677	13,555,577	14,328,007	-	-	-
Agent & commission fees	5,489,397	-	5,909,801	-	-	-
Transportation and travel	644,926	7,862,851	1,864,857	13,736	51,724	21,845
Employee benefits	-	5,862,047	4,311,234	-	-	-
Taxes and licenses	1,739,704	5,292,796	825,163	261,495	291,808	511,358
Repairs and maintenance	1,400,243	4,184,808	1,776,409	-	-	-
Outside services	788,231	3,959,840	-	160,000	3,959,840	245,240
Representation	1,689,693	3,798,340	3,445,401	650,000	839,880	466,409
Gasoline, Oil & Fuels	1,503,132	1,531,498	1,123,136	-	-	-
Communication, Light and water	1,183,892	1,430,240	1,055,223	-	-	-
Service Fees	213,550	835,900	145,000	-	-	-
Bank charges	-	806,688	1,909,863	-	-	-
Office Supplies	47,462	218,070	123,217	5,980	-	-
Donations	73,060	205,429	412,078	-	-	-
Utilities	181,306	52,346	46,823	100,933	70,081	-
Director's fees	350,000	-	-	350,000	665,000	480,000
Rental	837,642	-	-	837,642	779,214	175,340
Provision for ECL (Note 5)	-	-	-	-	-	-
Miscellaneous	8,688,917	7,093,195	2,768,984	355,131	551,409	118,871
	P75,114,278	P180,011,532	P136,166,101	P7,061,388	P11,933,529	P5,339,977

## 12. Related Party Disclosures

Related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercises significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities, which are under the common control with the reporting enterprises and its key management personnel, directors, or its shareholders. In considering each related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

In the normal course of business, the Group has transactions with its affiliates and stockholders. Transactions pertain to advances from related parties to meet the Group's working capital requirements.

	Parent Company				Terms	Conditions
	September 30, 2024		2023			
	Volume	Outstanding Balance	Volume	Outstanding Balance		
Due to related parties						
Affiliates						
NBS	₱—	₱—	₱—	₱—	Noninterest-bearing; Payable in cash; Due and demandable	Unsecured
APHC	—	3,178,883	—	3,178,883	Noninterest-bearing; Payable in cash; Due and demandable	Unsecured
ECMRCI	2,195,234	78,487,356	75,148,747	76,292,122	Noninterest-bearing; Payable in cash; Due and demandable	Secured
LMC	3,430,289	15,588,242	10,640,988	12,157,953	Noninterest-bearing; Payable in cash; Due and demandable	Secured
Stockholder						
Individual stockholder		1,071,497	1,071,497	1,071,497	Noninterest-bearing; Payable in cash; Due and demandable	Secured
Total	5,625,523	₱98,325,978		₱92,700,455		

### Compensation of Key Management Personnel

The short-term employee benefits of key management personnel as at December 31, 2023 and 2022 amounted to P9,628,637 and P9,942,797, respectively.

## 13. Segment Information

The Group is engaged in the business of mine exploration. Accordingly, the Group operates mainly in one reportable business and geographical segment which is the Philippines. No entity-wide disclosures pertaining to revenues are provided as the Parent Company has not earned revenue and is only a holding company. Noncurrent assets of the Group are located in the Philippines.

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#### 14. Financial Risk Management Objectives and Policies

The Group has risk management policies that systematically view the risks that could prevent the Group from achieving its objectives. These policies are intended to manage risks identified in such a way that opportunities to deliver the Group's objectives are achieved. The Group's risk management takes place in the context of day-to-day operations and normal business processes such as strategic and business planning. Management has identified each risk and is responsible for coordinating and continuously improving risk strategies, processes and measures in accordance with the Group's established business objectives.

The Group's principal financial instruments consist of cash in banks, trade and other receivables and due to/from related parties, trade and other payables, loan payables and installment payable. The main purpose of these financial instruments is to finance the Group's operations.

The main risks arising from the Group's or financial instruments are credit risk and liquidity risk. The BOD reviews and agrees policies for managing each of these risks and are summarized below:

##### *Credit Risk*

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligations as and when they fall due. The Group trades only with recognized, creditworthy parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

Since the Group trades only with recognized parties, there is no requirement for collateral.

The credit risk arising from these financial assets arises from default of the counterparty, with maximum exposure equal to the carrying amount of these instruments.

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#### 15. Significant Contracts

##### ***Memorandum of Agreement with CMC***

On November 19, 1997, the Group entered into a Memorandum of Agreement (MOA) with CMC which allows CMC to explore, develop and mine nickel ore and obliges it to comply with the terms of the MPSA.

Under the MPSA, CMC pays the Government an excise tax of 4%, and a 5% royalty, as the contract area is within the Surigao Mineral Reservation.

On December 18, 2015, the Group and CMC executed a Supplemental Agreement to provide for the automatic renewal of the term of the MOA for another twenty-five (25) years, or from 2022 to 2047. In consideration of the new term as well as the other conditions contained in the Supplemental Agreement, CMC granted a loan of ₱1,000.0 million to the Group.

Thereafter, CMC shall pay ECMRCI commission and royalties as follows:

- Commission equivalent to 3.5% on the gross sales amount of all nickel ore;

- Royalties equivalent to either 7% or 8.75% on the gross sales amount of all nickel ore depending on the monthly average LME nickel settlement price; and
- Additional royalty ranging from ₱10.0 million to ₱50.0 million depending on CMC's audited net income after tax less the additional royalty amount.

On March 28, 2019, the Group and CMC entered into a supplemental agreement amending the memorandum of agreement stating that after the full payment of ECMRCI's loan to CMC, royalty percentage rates will range from 2.50% to 4.50% depending on the monthly average LME nickel settlement price. In 2023, ECMRCI settled the loan to CMC, hence, the new royalty percentage rates became effective.

As at December 31, 2023, the survey plan for the MPSA renewal is already approved by the MGB and is awaiting for the approval of the DENR. On March 2, 2022, MGB ordered the renewal of the MPSA between the Government and Group for another twenty-five (25) years.

#### ***Operating Agreement with LMC***

On April 26, 2012, the Group entered into an Operating Agreement with LMC which allows LMC to explore, develop, exploit and operate the mineral property located in Libjo, Dinagat Islands and to extract, mine, process, market, sell, dispose or convey any and all minerals and ores found therein during the lifetime of this Operating Agreement.

For and in consideration of the rights granted, LMC shall pay the Group a royalty equivalent to 3% on the gross sales amount of nickel sold.

Thereafter, the Group and LMC executed a Supplemental Agreement to provide for the following:

- Goodwill bonus amounting to ₱200.0 million, net of tax, to be paid within 15 days from the date of signing;
- Additional royalty equivalent to 4.0% on the gross sales amount of all nickel ore, net of tax; and Marketing share of one USD per WMT for all ores shipped out, net of tax.

#### ***Memorandum of Agreement with OVMPC***

The Group has an existing MOA with OVMPC which allows OVMPC to explore, develop, exploit, operate and utilize the mineral property covered by this MOA subject to the provisions of MPSA granted by the Philippine Government. OVMPC shall carry on and conduct immediate exploration, commence development and utilization works within two years from the signing of MOA.

For and in consideration of the rights granted, OVMPC shall pay the Group a commission equivalent to 5% on the gross sales amount of nickel sold.

#### ***Memorandum of Agreement with Norte Este Corporation (Norte Este)***

In 2021, the Group entered into an Operating Agreement with Norte Este which allows Norte Este to explore, develop, extract, operate and market the minerals in the Phase 3 Mineral Property located in Libjo, Dinagat Islands. Norte Este has also the right to construct and maintain roads, bridges, causeway, buildings, plants, and other improvements of all kinds as may be deemed necessary and convenient to its mining operations.

Thereafter, Norte Este shall pay the Group royalties and marketing as follows:

- Royalties ranging from 7% to 15% on the gross sales amount of all nickel ore depending on the monthly average LME nickel settlement price; and
- Marketing ranging from \$0.75 to \$3.50 on the gross sales amount of all nickel ore depending on the monthly average LME nickel settlement price; and

***Memorandum of Agreement with Westernshore Nickel Corporation***

In 2023, the Group entered into an Operating Agreement with Westernshore Nickel Corporation (WNC) which allows WNC to explore, develop, extract, operate and market the minerals in the Phase 2 Mineral Property located in Libjo, Dinagat Islands.

Thereafter, WNC shall pay the Group commission fee of \$0.75 to \$3.50 on the gross sales amount of all nickel ore depending on the monthly average LME nickel settlement price.

As at April 15, 2024, the Group's respective agreements with CMC, LMC, OVMPC and Norte Este have not been terminated and continue to be in full force and effect, subject to the supplemental terms agreed by the Group each with CMC, LMC, OVMPC and Norte Este.

In 2023, 2022 and 2021, the Group earned royalty income amounting to ₱161,685,814, ₱435,183,065 and ₱542,152,275, respectively, and commission and marketing income amounting to ₱125,482,671, ₱168,204,287 and ₱178,470,538, respectively from CMC and LMC (Note 15).

No royalty earned yet from OVMPC as the current MPSA is still under exploration phase.

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**16. Supplementary Information Required Under Revenue Regulations (R.R.) No. 15-2010**

In compliance with the requirements set forth by R.R. No. 15-2010, hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year 2023:

VAT

The Parent Company is a VAT-registered company with no VAT output tax declaration for the year ended December 31, 2023. The Company has no sales subject to VAT of 12% for the year ended September 30, 2024.

Taxes and Licenses

This includes all other taxes, local and national, including license and permit fees lodged under "Taxes and licenses", which is presented under "Operating expense" line item in the 2023 statement of comprehensive income.

National:

PSE annual listing fee	₱250,000
BIR annual registration fee	500

Local:

Permits and licenses	41,308
	<u>₱291,808</u>

### Withholding Taxes

Withholding taxes paid and accrued by the Company in September 30, 2024 are as follows:

	Paid	Accrued
EWT	₱10,000	₱10,000
Withholding taxes on compensation and benefits	—	—
	₱10,000	₱10,000

### Tax Assessments and Contingencies

The Company has no tax cases under preliminary investigation nor litigation and/or prosecution in courts or bodies outside of the administration of BIR as of December 31, 2023.

**EAST COAST VULCAN MINING CORPORATION AND SUBSIDIARY  
(FORMERLY EAST COAST VULCAN MINING CORPORATION)  
INDEX TO THE FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES  
AS OF SEPTEMBER 30, 2024**

**COMPANY FINANCIAL STATEMENTS**

Statements of Financial Position as of September 30, 2024 and 2023

Statements of Income for the years ended September 30, 2024, 2023 and 2022

Statements of Comprehensive Income for the years ended September 30, 2024, 2023 and 2022

Statements of Changes in Equity (Capital Deficiency) for the years ended September 30, 2024, 2023, and 2022

Statements of Cash Flows for the years ended September 30, 2024, 2023 and 2022

Notes to Financial Statements

**SUPPLEMENTARY SCHEDULES**

- I. Schedules required by Annex 68-J:
  - A. Financial Assets
  - B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
  - C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
  - D. Long-Term Debt
  - E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)
  - F. Guarantees of Securities of Other Issuers
  - G. Capital Stock
- II. Reconciliation of Retained Earnings Available for Dividend Declaration (Annex 68-D)
- III. Schedule of Financial Soundness Indicators (Annex 68-E)
- IV. Map showing the relationships of the Companies within the Group

**EAST COAST VULCAN MINING CORPORATION AND SUBSIDIARY  
(FORMERLY EAST COAST VULCAN MINING CORPORATION)  
SCHEDULE A - FINANCIAL ASSETS  
September 30, 2024**

Name of issuing entity and association of each issue	Number of shares or principal amounts of bonds and notes	Amount shown in the statement of financial position	Value based on market quotation at end of reporting period	Income received and accrued
<b><i>Cash and related parties</i></b>				
Cash		₱7,201,562	₱8,147,811	
Trade and other receivables		37,312,021	47,197,489	
Due from related parties		751,600,226	948,319,068	
<b>Total</b>		<b>796,113,809</b>	<b>1,003,664,368</b>	



**EAST COAST VULCAN MINING CORPORATION AND SUBSIDIARY  
(FORMERLY EAST COAST VULCAN MINING CORPORATION)  
SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS,  
EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS  
(OTHER THAN RELATED PARTIES)  
September 30, 2024**

Name and Designation of Debtor	Balance at Beginning period	Additions	Amounts Collected	Amounts Written off	Current	Not Current	Balance at end of period
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The Company has no amounts receivable from directors, officers, employees, related parties and principal stockholders as at September 30, 2024 equal to or above the established threshold of the Rule.

**EAST COAST VULCAN MINING CORPORATION AND SUBSIDIARY  
(FORMERLY EAST COAST VULCAN MINING CORPORATION)  
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES  
WHICH ARE ELIMINATED DURING THE  
CONSOLIDATION OF FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024**

Name and Designation of Debtor	Balance at Beginning period	Additions	Amounts Collected/ Settlements	Amounts Written off	Current	Not Current	Balance at end of period
East Coast Vulcan Mining Corporation (Parent Company)	₱76,292,123	₱-	₱-	₱-	₱2,195,233	₱-	₱78,487,356

**EAST COAST VULCAN MINING CORPORATION AND SUBSIDIARY  
(FORMERLY EAST COAST VULCAN MINING CORPORATION)  
SCHEDULE D - LONG-TERM DEBT  
SEPTEMBER 30, 2024**

Title of Issue and type of obligation	Amount authorized by: Indenture	Amount shown under the caption "Current Portion of long-term debt" in related statement of financial position	Amount shown under caption "Long-term debt" in related statement of financial position
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*—Not applicable—*

**EAST COAST VULCAN MINING CORPORATION AND SUBSIDIARY  
(FORMERLY EAST COAST VULCAN CORPORATION)  
SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES  
(LONG-TERM LOANS FROM RELATED COMPANIES)  
SEPTEMBER 30, 2024**

<u>Name of Related Party</u>	<u>Balance at beginning of period</u>	<u>Balance at end of period</u>
<i>-Not applicable-</i>		

**EAST COAST VULCAN MINING CORPORATION AND SUBSIDIARY  
(FORMERLY EAST COAST VULCAN CORPORATION)  
SCHEDULE F - GUARANTEES OF SECURITIES OF OTHER ISSUERS  
SEPTEMBER 30, 2024**

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owed by person for which statement is filed	Nature of guarantee
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*—Not applicable—*

**EAST COAST VULCAN MINING CORPORATION AND SUBSIDIARY**  
**(FORMERLY EAST COAST VULCAN CORPORATION)**  
**SCHEDULE G - CAPITAL STOCK**  
**SEPTEMBER 30, 2024**

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statement of financial position caption	Number of shares reserved for options, warrants, conversions and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Common Shares at ₱ 1 par value	12,000,000,000	6,172,497,120	—	—	6,139,380,844	33,116,276

**EAST COAST VULCAN MINING CORPORATION AND SUBSIDIARY  
(FORMERLY EAST COAST VULCAN CORPORATION)  
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND  
DECLARATION (ANNEX 68-D)  
AS OF SEPTEMBER 30, 2024**

<b>Unappropriated Retained Earnings, beginning of reporting period</b>	
	(P1,086,283,831)
<b>Add: Category A: Items that are directly credited to Unappropriated Retained Earnings</b>	
Reversal of Retained Earnings Appropriation/s	—
Effect of restatements or prior-period adjustments	—
Others (describe nature)	—
<b>Less: Category B: Items that are directly debited to Unappropriated Retained Earnings</b>	
Dividend declaration during the reporting period	—
Retained Earnings appropriated during the reporting period	—
Effect of restatements or prior-period adjustments	—
Others (describe nature)	—
<b>Unappropriated Retained Earnings, as adjusted</b>	(1,086,283,831)
<b>Add/Less: Net Income (loss) for the current year</b>	(50,663,966)
<b>Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>	
Equity in net income of associate/joint venture, net of dividends declared	—
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	—
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
Unrealized fair value gain of Investment Property	—
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	—
<b>Sub-total</b>	—
<b>Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)</b>	
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	—
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
Realized fair value gain of Investment Property	—
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	—
<b>Sub-total</b>	—
<b>Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)</b>	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	—
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—

Reversal of previously recorded fair value gain of Investment Property	—	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	—	
Sub-total		—
<b>Adjusted Net Income/Loss</b>		<b>(50,663,966)</b>
<b>Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)</b>		
Depreciation on revaluation increment (after tax)	—	
Sub-total	—	
<b>Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP (see Footnote 3)</b>		
Amortization of the effect of reporting relief	—	
Total amount of reporting relief granted during the year	—	
Others (describe nature)	—	
Sub-total	—	
<b>Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution</b>		
Net movement of treasury shares (except for reacquisition of redeemable shares)	—	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	—	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	—	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	—	
Others (Stock issuance costs)	—	
Sub-total		
<b>Total Retained Earnings, end of the reporting period available for dividend*</b>		<b>P=</b>



**EAST COAST VULCAN MINING CORPORATION AND SUBSIDIARY  
(FORMERLY EAST COAST VULCAN CORPORATION)  
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS (ANNEX 68-E)  
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

<b>Ratio</b>	<b>Formula</b>	<b>September 30, 2024</b>	<b>2023</b>
<b><i>Liquidity and Solvency Ratios:</i></b>			
Current ratio	Total Current Assets Divided by: Total Current Liabilities	1.53:1	1.32:1
Quick ratio	(Cash + Receivables) Divided by: Total Current Liabilities	1.52:1	0.07:1
Solvency ratio	(Net Income + Depreciation) Divided by: Total Liabilities	3.102:1	0.25:1
<b><i>Financial Leverage Ratios:</i></b>			
Asset to equity ratio	Total Assets Divided by: Total Equity	1.51:1	1.66:1
Debt ratio	Total Liabilities Divided by: Total Assets	0.34:1	0.40:1
Debt to equity ratio	Total Liabilities Divided by: Total Equity	0.51:1	0.66:1
Interest coverage ratio	Net Income Before Tax Divided by: Interest Expense	3.65:1	7.41:1
Price earnings ratio	Current Share Price Divided by: Earnings Per Share	52.39:1	18.82:1
<b><i>Profitability Ratios:</i></b>			
Return on assets	Net Income Before Tax Divided by: Total Assets	2.40%	8%
Return on equity	Net Income Before Tax Divided by: Total Equity	3.62%	13%
Gross profit margin	Gross Income Divided by: Net Sales	100%	52%
Net profit margin	Net Income Divided by: Net Sales	30.98%	36%

**EAST COAST VULCAN MINING CORPORATION AND SUBSIDIARY  
(FORMERLY EAST COAST VULCAN CORPORATION)  
MAP SHOWING THE RELATIONSHIPS OF THE COMPANIES WITHIN  
THE GROUP  
AS OF SEPTEMBER 30, 2024  
PURSUANT TO REVISED SRC RULE 68**

