

COVER SHEET

SEC Registration Number [] - 7 4 4 3 - [] [] []

V U L C A N I N D U S T R I A L & M I N I N G
C O R P O R A T I O N
(Company's Full Name)

6 t h / F Q U A D A L P H A C E N T R U M ,
1 2 5 P I O N E E R S T M A N D A L U Y O N C I T Y
(Business Address: No., Street City / Town / Province)

Atty. Gaspar R. Andres Jr.
Contact Person

631-5139
Company Telephone Number

1 2 3 1
Month Day
Fiscal Year

SEC Form 17-Q
September 30, 2022
FORM TYPE

0 7 2 6
Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept Requiring this Doc
Section

Amended Articles Number /

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 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, 2022**

2. Commission identification number **7443**

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

4. Exact name of issuer as specified in its charter

VULCAN INDUSTRIAL & MINING 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 **125 Pioneer Street Mandaluyong City** Postal Code **1550**

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

N/A

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

Title of each class	Number of shares of common stock outstanding
Common	1,450,000,000

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

PART I - FINANCIAL INFORMATION

Item 1. 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.

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

Comparative financial highlights for the quarter ended June 30, 2022 and June 30, 2021 are presented below:

	<u>Unaudited</u> <u>30 September 2022</u>	<u>Unaudited</u> <u>30 September 2021</u>
Revenues	83	165
Net Income/(Loss)	(2,671,166)	(495,506)
Total Assets	103,290	200,819
Total Liabilities	6,146,365	1,985,955
Net Worth	(6,043,074)	(1,785,136)
Issued and Outstanding Capital	1,450,000,000	1,450,000,000

The Company has no revenue for the period September 30, 2022 and September 30, 2021 and incurred a net loss of P2.7 million and P0.5 million, respectively. The net loss pertains to administrative expenses incurred such as PSE annual listing fees, professional fees, licenses and fees.

The Company has total assets of P0.1 million and P0.2 million as of the period ended September 30, 2022 and September 30, 2021, respectively.

The Company's total liabilities increased to P6.1 million as of September 30, 2022 as compared to P1.9 million as of September 30, 2021 due to additional advances from related party and accrual of some expenses.

Cumulative losses resulting to deficit increased to P998.5 million as of September 30, 2022 compared to P994.3 million as of September 30, 2021. The increase was due to the net losses incurred by the Company during the period.

Capital deficiency increased to P6.0 million as of September 30, 2022 compared to 1.79 million as September 30, 2021 to due to net loss incurred by Company during from September 30, 2021 to September 30, 2022.

The top five (5) key performance indicators of the Company and its wholly owned subsidiary are as follows:

	<u>30 September</u> <u>2022</u>	<u>31 Dec. 2021</u>	<u>30 September</u> <u>2021</u>
Current Ratio	0.02:1	0.04:1	0.10:1
<u>Current Assets</u>	<u>103,290</u>	<u>139,047</u>	<u>200,819</u>
Current Liabilities	6,146,365	3,510,955	1,985,955
Debt to Equity Ratio	(1.02):1	(1.04)	-1.11:1
<u>Total Liabilities</u>	<u>6,146,365</u>	<u>3,510,955</u>	<u>1,985,955</u>
Stockholders Equity	(6,043,074)	(3,371,908)	-1,785,136
Equity to Debt Ratio	(0.98):1	(0.96)	-0.90:1
<u>Stockholders Equity</u>	<u>(6,043,074)</u>	<u>(3,371,908)</u>	<u>-1,785,136</u>
Total Liabilities	6,146,365	3,510,955	1,985,955
Book Value Per Share	(0.0042)	(0.0023)	-0.0012
<u>Stockholders' Equity</u>	<u>(6,043,074)</u>	<u>(3,371,908)</u>	<u>-1,785,136</u>
Total # of shares	1,450,000,000	1,450,000,000	1,450,000,000
Earnings (Loss) per share	(0.0018)	(0.0014)	-0.0003
<u>Net Income (Loss)</u>	<u>(2,671,166)</u>	<u>(2,082,278)</u>	<u>-495,506</u>
Total # of shares	1,450,000,000	1,450,000,000	1,450,000,000

The change in key indicators as of September 30, 2022 as compared to September 30, 2021 and December 31, 2021 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, **EXCEPT**, That:

The Company is currently preparing for the intended backdoor listing of the HGP Group for which it had previously sought the necessary shareholder approvals. As planned, the Company filed in SEC the capital increase on August 8, 2022, already approved in Company Registration and Monitoring Department (CRMD) and it is now under process in Financial Analysis & Audit Division (FAAD) via the subscription to new shares of the Company by the HGP Group through the fold-in of 99.99% ownership of East Coast Mineral Resources Company Inc. (ECMRCI) into the Company, based on an approved value of Php 5.18 billion. Thereafter upon the approval of the Securities and Exchange Commission of the said capital increase transaction, the Company shall file for the listing of the attendant shares with the Philippine Stock Exchange. The contemplated approval of the said

business combination transaction will result to ECMRCI becoming a wholly owned subsidiary of the Company and thus will allow the Company to consolidate ECMRCI's operations into its books.

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, EXCEPT: that the Company is considering a private placement of at most 700,000,000 shares from the unissued capital stock to provide working capital and funding requirements for the Company.

The Company has NO material commitments for capital expenditures.

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, 2022.

There will be no purchase /sale of significant equipment in the next twelve months.

The number of employees will have no significant change in the next twelve (12) months.

Any material commitment for capital expenditures- the Company has NO material commitments for capital expenditures.

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

Any significant elements of income or loss that did not arise from the issuer's continuing operations is not applicable

Any seasonal aspects that had material effect on the financial condition or results of operations is not applicable

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:

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.

Financial Soundness Indicators

<i>Profitability Ratios</i>	September 30, 2022	September 30, 2021
Return on Assets	-2686.08%	-246.74%
Return on Equity	44.20%	27.76%
Gross profit margin	-%	0
Net profit margin	-	0
<i>Liquidity and Solvency Ratios</i>		
Current Ratio	0.02: 1	0.10: 1
Quick Ratio	0.02: 1	0.10 : 1
Solvency Ratio	-0.435 : 1	-0.25 : 1
<i>Financial Leverage Ratios</i>		
Asset to Equity Ratio	-0.017: 1	-0.11: 1
Debt Ratio	59.51: 1	9.89: 1
Debt to Equity Ratio	-1.02: 1	-1.11: 1
Interest Coverage Ratio	0	0

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, 2022).

SIGNATURE

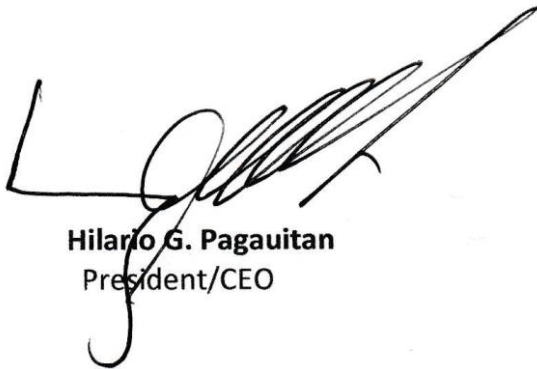
Pursuant to the requirements of Section 11 of the RSA and Section 141 of the Corporation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned; thereunto duly authorized, in the City of Mandaluyong on _____ November 2022.

VULCAN INDUSTRIAL & 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. Pagauitan
President/CEO



Ma. Hilarnie Mercurie P. Parada
Treasurer

VULCAN INDUSTRIAL AND MINING CORPORATION			
STATEMENTS OF FINANCIAL POSITION			
		Unaudited	Audited
ASSETS		30-Sep-22	31-Dec-21
Current Assets			
Cash		103,290	139,047
Total Current Assets		103,290	139,047
TOTAL ASSETS		103,290	139,047
LIABILITIES AND EQUITY			
Current Liabilities			
Accrued expenses		527,800	175,000
Due to related parties		5,618,565	3,335,955
Total Current Liabilities		6,146,365	3,510,955
TOTAL LIABILITIES		6,146,365	3,510,955
EQUITY			
Capital Stock - P1 par value			
Authorized - 4,000,000,000 shares			
Issued shares 963,944,338		963,944,338	963,944,338
Suscribed sahres 486,055,662		486,055,662	486,055,662
Subscription Receivable		(457,502,880)	(457,502,880)
Capital Stock		992,497,120	992,497,120
Deficit		(998,540,194)	(995,869,028)
TOTAL EQUITY		(6,043,074)	(3,371,908)
TOTAL LIABILITIES AND EQUITY		103,290	139,047

VULCAN INDUSTRIAL AND MINING CORPORATION				
STATEMENTS OF COMPREHENSIVE INCOME				
	Unaudited July to Sept 2022	Unaudited July to Sept 2021	Unaudited Jan to Sept 2022	Unaudited Jan to Sept 2021
REVENUE	-	-	-	-
General and Administrative expenses	1,829,610	111,355	2,671,250	495,671
Other Income (Charges)				
Interest income	26	50	83	164.73
	26	50	83	165
Income from continuing operations before income tax	(1,829,583)	(111,305)	(2,671,166)	(495,506)
Provision for current income tax	-	-	-	-
Income from continuing operations after tax	(1,829,583)	(111,305)	(2,671,166)	(495,506)
Loss from discontinued operations after tax				
Net Income/(Loss)	(1,829,583)	(111,305)	(2,671,166)	(495,506)
Other Comprehensive Income/Loss	-	-	-	-
Net unrealized gains/(losses) on AFS investment	-	-	-	-
Total Other comprehensive Income/(Loss)	-	-	-	-
Total Comprehensive Income/(Loss)	(1,829,583)	(111,305)	(2,671,166)	(495,506)
	July to Sept 2022	July to Sept 2021	Jan to Sept 2022	Jan to Sept 2021
Earnings/(Loss) per share was computed as follows:				
Net Income/(Loss) Attributable to Equity	(1,829,583)	(111,305)	(2,671,166)	(495,506)
Weighted Average Number of Shares	1,450,000,000	1,450,000,000	1,450,000,000	1,450,000,000
Earnings/(Loss) Per Share	(0.0013)	(0.0001)	(0.0018)	(0.0003)

VULCAN INDUSTRIAL & MINING CORPORATION			
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY			
		Unaudited	Unaudited
		30-Sep-22	30-Sep-21
Balances, at January 1			
Capital Stock - P1 par value			
	Capital Stock - P1 par value		
	Authorized - 4,000,000,000 shares		
	Issued shares 963,944,338	963,944,338	963,944,338
	Suscribed sahres 486,055,662	486,055,662	486,055,662
	Subscription Receivable	(457,502,880)	(457,502,880)
	Capital Stock	992,497,120	992,497,120
	Deficit, beginning	(995,869,028)	(993,786,750)
	Add: Net Income/Loss during the period	(2,671,166)	(495,506)
	Deficit, ending	(998,540,194)	(994,282,256)
	Other Comprehensive Income/(Loss)	-	-
	Balances, at September 30	(6,043,074)	(1,785,136)

VULCAN INDUSTRIAL & MINING CORPORATION
STATEMENTS OF CASH FLOWS

	FOR THE PERIOD		FOR THE PERIOD	
	Unaudited	Unaudited	Unaudited	Unaudited
	July to Sept 2022	July to Sept 2021	Jan to Sept 2022	Jan to Sept 2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income/(Loss)	(1,829,583)	(111,305)	(2,671,166)	(495,506)
Changes in operating assets & liabilities				
Decrease (increase) in:				
Prepaid expenses and other current assets	-	-	-	-
Increase (decrease) in:				
Accounts payable and accrued expenses	(237,400)	-	352,800	(184,800)
Net cash used in operating activities	(2,066,983)	(111,305)	(2,318,366)	(680,306)
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in:				
Net cash used in investing activities	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances from related party	2,067,010	250,000	2,282,610	750,000
Net cash provided by financing activities	2,067,010	250,000	2,282,610	750,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	26	138,695	(35,756)	69,695
CASH AND CASH EQUIVALENTS, BEGINNING	103,264	62,124	139,047	131,125
CASH AND CASH EQUIVALENTS, END	103,290	200,819	103,290	200,819

Corporate Information

Vulcan Industrial & Mining Corporation (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on January 13, 1953 under the name “Vulcan Manufacturing Corporation” and was listed in the Philippine Stock Exchange (PSE) on August 31, 1970. On June 15, 1977, the Company amended its articles of incorporation and changed its name to “Vulcan Industrial & Mining Corporation”. The Company’s corporate life was extended for another 50 years on January 13, 2003.

As of December 31, 2020, National Book Store, Inc. (NBS) owned the 58.6% of the shares of the Company. As of December 31, 2021, NBS owns 13.8% of the shares of the Company.

The Company was involved in finding, developing and producing oil and gas reserves and other mineral properties. The Company was a participant in several Service Contracts (SCs), Mineral Production Sharing Agreements (MPSAs) and Geophysical Survey and Exploration Contracts (GSECs) entered with the Philippine Government, through the Department of Energy (DOE).

On December 7, 2018, the Company’s Board of Directors (BOD) and the Stockholders resolved that the Company cease to engage in the business of mining, oil, petroleum, industrial development and mineral processing. Further, the BOD and Stockholders resolved to amend the primary and secondary purposes from mining to holding and such other purposes as management deems fit and in the best interest of the Company. The Company is still in the process of filing the amendment to the SEC.

On July 1, 2021, the Company entered into a Memorandum of Agreement (MOA) with majority stockholders of East Coast Mineral Resources Company Incorporated (ECRMCI) for the latter’s subscription up to 5.18 billion shares of the Company arising from the increase in authorized capital stock (see Note 6).

In 2021, the BOD and Stockholders have approved the following amendment in the Company’s Articles of Incorporation which are pending filing application to SEC:

- Change in corporate name to East Coast Vulcan Corporation;
- Change in principal office address to 4th Floor, Low Rise, Pacific Star Building, 1226 Sen. Gil J. Puyat Ave., Makati City, Metro Manila; and
- Increase in authorized capital stock from 4 billion shares to 12 billion shares.

The Company’s registered office address is at 6th Floor Quad Alpha Centrum, 125 Pioneer Street, Mandaluyong City.

Status of Operations

The Company has incurred cumulative losses resulting to deficit amounting to ₱995.9 million and ₱993.8 million as at December 31, 2021 and 2020, respectively. The deficit as at December 31, 2021 and 2020 resulted to capital deficiency amounting to ₱3.4 million and ₱1.3 million, respectively. In addition, the Company has negative working capital of ₱3.4 million and ₱1.3 million in 2021 and 2020, respectively. The Company is currently non-operating due to the cessation of its mining business and amendment of its primary and secondary purposes as a corporation from mining to holding. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Management has neither the intention nor the need to liquidate the Company in the foreseeable future. HGP Group, the Company’s Parent Company, is committed to provide financial support to enable the Company to continue paying its expenses and settle its liabilities, for at least 12 months from the balance sheet date, and to enable the Company to operate as a going concern.

The financial statements as of December 31, 2021 and 2020 were approved and authorized for issue by the BOD on May 13, 2022.

Basis of Preparation

The Company’s financial statements have been prepared under the historical cost basis. The financial statements are presented in Philippine peso (₱), which is the Company’s functional currency. All amounts are rounded to the nearest Philippine Peso, except as otherwise stated.

Statement of Compliance

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

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2021. The Company has not early adopted any standard, interpretation or

amendment that has been issued but is not yet effective. Unless otherwise indicated, adoption of these new standards did not have an impact on the Company's financial statements.

- Amendment to PFRS 16, *COVID-19-related Rent Concessions beyond 30 June 2021*
- Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform - Phase 2*

Standards Issued but not yet Effective

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

Effective beginning on or after January 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*
- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*
- *Annual Improvements to PFRSs 2018-2020 Cycle*
 - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*
 - Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*
 - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

Effective beginning on or after January 1, 2023

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

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

Deferred effectivity

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

Summary of Significant Accounting Policies

Cash in Banks

Cash in banks earn interest at floating rates based on daily bank deposit rates presented as "Interest income from bank deposits" in the statements 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 Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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 Company's business model for managing them. The Company 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 Company 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 Company 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 Company 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.

Business Model

The Company's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument.

The Company's business model refers to how it manages its financial assets in order to generate cash flows. The Company's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. Relevant factors considered by the Company in determining the business model for a group of financial assets include how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel, the risks that affect the performance of the business model (and the financial assets held within that business model) and how these risks are managed and how managers of the business are compensated.

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

Financial Assets at Amortized Cost

This category is most relevant to the Company. The Company 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 Company's financial asset at amortized cost includes cash in banks (see Note 11).

Impairment of Financial Assets

The Company 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 Company 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 banks, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available. At every reporting date, the Company 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 Company 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 Company'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 Company. 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 Company's financial liabilities at amortized cost consist of accrued expenses and due to related parties (see Note 11).

Reclassifications of Financial Instruments

The Company 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 Company and any previously recognized gains, losses or interest shall not be restated. The Company does not reclassify its financial liabilities.

'Day 1' Difference

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the statements of comprehensive income unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in the statements of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the 'Day 1' difference amount.

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 Company 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 Company 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 Company 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 Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company 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 Company 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 Company 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.

Prepayments

Prepayments include items of goods or services purchased by the Company for use in its operations but not fully consumed by the end of the accounting period. When goods or services are initially purchased, the amount is recorded in an asset account. At the end of the period, the Company determines the portion of such expenditures that is applicable to subsequent period and the portion used up during the current period. The used-up portion is recognized in statements in 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 Company 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 Company and all of the counterparties.

Impairment of Nonfinancial Assets

The Company assesses at each reporting date whether there is an indication that prepayments may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher between an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Any impairment loss is recognized in the statements of comprehensive income.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statements of comprehensive income.

Capital Stock

The Company has issued capital stock that is classified as equity and recorded at par. Incremental costs directly attributable to the issue of new capital stock are shown in equity as a deduction, net of tax, from the proceeds.

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

Deficit

Deficit includes accumulated profits and losses attributable to the Company's stockholders. Deficit may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Revenue Recognition

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 Company expects to be entitled in exchange for those goods or services. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

In determining the transaction price for the sale of goods or services, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer, if any.

The Company has concluded that it is acting as a principal in its revenue arrangement. The following specific recognition criteria must also be met before revenue is recognized:

Interest Income

Interest income is recognized as it accrues taking into account the effective yield of the asset.

Expenses

Expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. General and administrative expenses are costs related to the direction and general administration of day-to-day operations of the Company. These expenses are recognized when 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 balance sheet 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.

Basic/Diluted Losses Per Share

Basic losses per share (LPS) is computed by dividing net loss attributable to equity holders of the Company 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 Company currently does not have potential dilutive common shares.

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.

There is only one reportable segment due to the amendment of the primary and secondary purposes of the Company from mining to holding (see Note 11).

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 Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are 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 Company 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 Company'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.

Cash and Cash Equivalents

	September 30, 2022	December 31, 2021
Cash on hand and in bank	103,290	139,047
Cash equivalents	-	-
	<u>103,290</u>	<u>139,047</u>

Cash in banks earns interest at the respective bank deposit rates. Cash equivalents are short-term investments that are made for varying periods of up to three months depending on the cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Accrued Expenses and other Payables

	September 30, 2022	December 31, 2021
Accrued expenses	527,800	175,000
Other payables	5,425,954	
	<u>5,953,754</u>	<u>175,000</u>

Capital Stock

	September 30, 2022	December 31, 2021
Issued	963,944,338	963,944,338
Subscribed	486,055,662	486,055,662
Total	<u>1,450,000,000</u>	<u>1,450,000,000</u>

SCHEDULE A
VULCAN INDUSTRIAL & MINING CORPORATION FINANCIAL ASSETS
FINANCIAL ASSETS
PURSUANT TO SRC RULE 68, AS AMENDED
September 30, 2022

Name of issuing entity and association of each issue	Number of shares or principal amounts of bonds and notes	Amount shown in the balance sheet	Income received and accrued
Loans and Receivables	N/A		
Cash	N/A	103,290	-0-

VULCAN INDUSTRIAL MINING CORPORATION
AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS
(OTHER THAN RELATED PARTIES)
September 30, 2022

Name and Designation of Debtor	Balance at Beginning period	Additions	Amounts Collected / Settlements	Amounts Written-off	Current	Not Current	Balance at end period
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NOT APPLICABLE

**VULCAN INDUSTRIAL MINING CORPORATION
AMOUNTS RECEIVABLE FROM RELATED PARTIES
WHICH ARE ELIMINATED DURING THE
CONSOLIDATION OF FINANCIAL STATEMENTS
September 30, 2022**

Name and Designation of Debtor	Balance at Beginning period	Additions	Amounts Collected/Settlements	Amounts Written-off	Current	Not Current	Balance at end period
NOT APPLICABLE							

VULCAN INDUSTRIAL MINING CORPORATION
INTANGIBLE ASSETS - OTHER ASSETS
September 30, 2022

Description	Beginning balance	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending balance
<div style="border: 1px solid black; padding: 5px; display: inline-block;">NOT APPLICABLE</div>						

VULCAN INDUSTRIAL MINING CORPORATION
LONG-TERM DEBT
September 30, 2022

Title of Issue and type of obligation	Amount authorized by: Indenture	Amount shown under the caption “Current Portion of long-term borrowings” in related balance sheet	Amount shown under the caption “Long-term borrowings- net of current portion” in related balance sheet
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NOT APPLICABLE

**VULCAN INDUSTRIAL MINING CORPORATION
INDEBTEDNESS TO RELATED PARTIES
(LONG-TERM LOANS FROM RELATED COMPANIES)**

September 30, 2022

Name of Related Party

Balance at beginning of period

Balance at end of period

NOT APPLICABLE

VULCAN INDUSTRIAL MINING CORPORATION
GUARANTEES OF SECURITIES OF OTHER ISSUERS
September 30, 2022

Name of issuing entity of securities guaranteed by the Parent Company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owed by person for which statement is filed	Nature of guarantee
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NOT APPLICABLE

SCHEDULE H

**VULCAN INDUSTRIAL MINING CORPORATION
CAPITAL STOCK
September 30, 2022**

The Company's authorized share capital is ₱4.0 billion divided into 4 billion shares at ₱1.0 par value. As at **September 30, 2022**, total shares issued and outstanding is 1.45 billion shares held by 1,899 shareholders.

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under related financial condition caption	Number of shares reserved for option, warrants, conversions and other rights	Directors and Officers	Principal/ Substantial Stockholders	No of shares held by Government	Banks	Others
Common Stock	4,000,000,000	1,450,000,000	–	4,249,121	686,055,662	–	–	759,695,217