

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)

Gaspar R. Andres, Jr. Contact Person

(632) 8511-8312
Company Telephone Number

1	2	3	1
Month		Day	
Fiscal Year			

2023 Annual Report - SEC Form 17-A
(With attachment – Audited Financial
Statements 2023 and Sustainability Report)
FORM TYPE

last Wednesday
of May
Month Day
Annual Meeting

Secondary License Type, If Applicable

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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

SEC Number 7443

File Number _____

EAST COAST VULCAN MINING CORPORATION
(formerly, EAST COAST VULCAN CORPORATION)

(Company's Full Name)

15TH FLOOR, HIGH RISE PACIFIC STAR BUILDING,
SEN. GIL PUYAT AVENUE, MAKATI CITY, METRO MANILA, PHILIPPINES

(Company's Address)

(02) 8511 – 8312

(Telephone Number)

DECEMBER 31, 2023

(Fiscal Year Ending)
(month& day)

SEC FORM 17-A

Form Type

Amendment Designation (if applicable)

(Secondary License Type and File Number)

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A
ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended December 31, 2023
2. SEC Identification Number 7443 BIR Tax Identification No. 000 - 062 - 736
4. Exact name of registrant as specified in its charter **East Coast Vulcan Mining Corporation**
5. Philippines
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. 15th Floor, High Rise Pacific Star Building,
Sen. Gil Puyat Avenue, Makati City, Metro Manila, Philippines 1226
Address of principal office Postal Code
8. (02) 8511 - 8312
Registrant's telephone number, including area code
9. **Vulcan Industrial & Mining Corporation** / Quad Alpha Bldg., Pioneer St., Mandaluyong City
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding
Common stock, ₱ 1.00 par value	6,630,000,000

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

Yes [X] No []

12. Check whether the registrant:

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

Yes [X] No []

- (b) Has been subject to such filing requirements for the past 90 days.

Yes [X] No []

13. Aggregate market value of the voting stock held by non-affiliates of the registrant
₱867.34 million (1,445,562,879 at P0.60/share as of December 29, 2023. Note: December 30, 2023 is a holiday while December 31, 2023 is not a trading day).

EAST COAST VULCAN CORPORATION
(formerly, VULCAN INDUSTRIAL & MINING CORPORATION)
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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

East Coast Vulcan Mining Corporation (the Company or ECVMC) 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 first amended its articles of incorporation and changed its name to “Vulcan Industrial & Mining Corporation”. Thereafter, the Company again amended its articles of incorporation and changed its name to “East Coast Vulcan Corporation” on May 29, 2023, and to “East Coast Vulcan Mining Corporation” on April 19, 2024. The Company’s corporate life was extended for another 50 years on January 13, 2003. The Company’s registered address is at the 15th Floor, High Rise Pacific Star Building, Sen. Gil Puyat Avenue, Makati City, Metro Manila, Philippines.

The Company is involved in finding, developing and producing oil and gas reserves and other mineral properties. The Company is 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 July 1, 2021, the Company entered into a Memorandum of Agreement (MOA) with the majority stockholders of East Coast Mineral Resources Company Incorporated (ECMRCI) represented by Hilario G. Pagautan and Sofia G. Pagautan (the HGP Group) for the latter’s subscription to up to 5,180,000,000 shares of ECVMC arising from an increase in authorized capital stock.

At the shareholders’ meeting held on November 8, 2021, the shareholders approved the said increase of the authorized capital stock of the corporation from 4 Billion Pesos (P4,000,000,000.00) to 12 Billion Pesos, or an increase in the amount of 8 Billion Pesos (P8,000,000,000.00), for subscription by, among others, the group led by Hilario G. Pagautan and Sofia G. Pagautan (hereinafter referred to as “the HGP Group”). The subscription to the increase of capital stock will be paid 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.

On May 29, 2023, the SEC approved the Company’s application for the amendment of its Articles of Incorporation for the (i) change of its corporate name to “East Coast Vulcan Corporation,” (ii) change of number of directors to thirteen, and (iii) change of principal office address to the 4th floor, Pacific Star Building, Low Rise Tower, Makati Avenue corner Senator Gil Puyat Avenue, Makati City, Philippines, 1209. The SEC likewise approved the Company’s application to increase its authorized capital stock from 4 Billion Pesos (P4,000,000,000.00) to 12 Billion Pesos (P12,000,000,000.00) on the same date.

The 5.18 billion (5,180,000,000) common shares were issued in exchange for 100% ownership of ECMRCI, a corporation engaged in mining operations. Currently, the application for the Certificate Authorizing Registration (“CAR”) out of the said exchange is still being processed with the Bureau of Internal Revenue.

Further, upon the approval of the Securities and Exchange Commission of the capital increase, the Company filed an application for the listing of the attendant shares with the Philippine Stock Exchange. The contemplated approval of the said business combination transaction will result in ECMRCI becoming a wholly owned subsidiary of the Company and thus will allow the Company to consolidate ECMRCI’s operations into its books.

The Company is all set with its plans to revitalize its operations and structure to create a more efficient and profitable mining company. In line with its plans and future developments, the management is in discussion with both foreign and local partners and investors, given the prospects of more opportunities for the Company and its stockholders. With the successful acquisition of 100% of ECMRCI and the approved increase in capital stock of the Company, the Company holds the operation of two profitable mining areas in the Province of Dinagat Island.

At its annual meeting in September 2023, the stockholders approved the amendment to the Company's Articles of Incorporation to increase the authorized number of ECVMC shares from 12,000,000,000 to 120,000,000,000 shares, while simultaneously decreasing the share par value from PHP1.00 to PHP0.10, and thus, maintaining the stockholders' position. This move to amend the par value vis-à-vis the number of shares is more beneficial to the Company stockholders as it will increase liquidity and trading in the shares, and at the same time places a milestone on the Company's direction as a significant and determined mining company with the aim of declaring dividends in the coming periods.

On April 19, 2024, the Securities and Exchange Commission approved the Company's application for the amendment of its Articles of Incorporation for the (i) change of its corporate name to "East Coast Vulcan Mining Corporation," and (ii) change of principal office address to the 15th Floor, High Rise Pacific Star Building, Sen. Gil Puyat Avenue, Makati City, Metro Manila, Philippines.

Sources and Availability of Raw Materials -

Since the Company has not had any commercial operations, it does not depend on any one or a limited number of suppliers for essential raw materials, energy or other items.

Status of Any Publicly-announced New Product or Services – NONE

Competition

Significant and increasing competition exists for petroleum and mineral acquisition opportunities throughout the Philippines. As a result of this competition, the Company may be unable to acquire rights to exploit additional attractive petroleum and mining properties on terms the Company considers acceptable.

The Company had accumulated mineral and petroleum concessions during the time that the industry was at its lowest and, consequently, had a good chance of developing these resources into mineral and petroleum finds. As of December 31, 2018, the Company has written off or assigned all its mineral and petroleum assets in line with its decision to cease to engage in the business of mining, oil, petroleum, industrial development, mineral processing and other related activities.

Mining

As the Company was still in the stages of exploration before the assignment of its mineral assets, it cannot consider any other Company as competitor.

Dependence on One or a Few Major Customers – Not applicable

The Company is not dependent on single or few customers. It has no major existing sales contracts with its current customers.

Transactions with and/or Dependence on Related Parties – Not applicable

Patents, trademarks, Licenses, Franchises, Concessions, Royalty Agreements, or Labor Contracts –

The Company has no patents, trademarks or labor contracts relating to intellectual property matters.

Government Approval of principal products or services- Not applicable.

Effect of existing or probable government regulations on the business

The present existing and probable government regulations will not have so much effect on the current business of the Company because the Company is compliant with the existing laws on mining operations.

Amount Spent on development cost activities, and its percentage to revenues during each of the last three fiscal years – Not applicable.

Cost and effects of compliance with environmental laws

The Company has an outstanding strict policy of adherence to the environmental laws according to the Environmental Clearance Certificate (ECC) granted by the Department of Environment and Natural Resources and the Environmental Protection and Enhancement Program (EPEP).

Compliance with all government and non-government requirements such as MPSA, ECC, environmental programs, etc. have made the Company a recognized entity in the aggregate industry through its subsidiary.

Employees

Due to the reorganization of the Company that commenced in the fourth quarter of 2012 and the intended listing of National Book Store, Inc., the Company had retired all of its employees during the first semester of 2013. There are no employees who are subject to any Collective Bargaining Agreement (CBA). The Company was not threatened by any strike in the past three years.

Financial Risk Management

The main risk arising from the Company's financial instruments are credit risk, liquidity risk, equity price risk and interest rate risk. The Board reviews and agrees on policies for managing each of these risks and they are summarized below:

Credit Risk

Credit Risk is the risk the Company will incur losses if its counterparties fail to discharge their contractual obligations.

The Company manages and control credit risk by doing business mostly only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts to a minimum level.

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

Liquidity Risk

Liquidity risk is defined as the risk that the Company would not be able to settle or meet its obligations on time or at a reasonable price. Management is responsible for liquidity, funding as well as settlement management. The Company's objective is to maintain a balance between continuity of funding and flexibility by availing of credit facilities from various suppliers. The Company mainly sources its funds through the use of bank loans and advances from related parties.

Equity Price Risk

Equity price risk is the risk that the value of a financial instrument will fluctuate because of changes in market price. The Company is exposed to equity securities price risk because of financial assets held by the Company, which are classified on the parent Company balance sheets as AFS financial assets. The possible changes in the fair value of AFS financial assets could be brought by changes in the equity indices.

MINING CLAIMS

Shown below are the Company's current mining contracts in the form of Mineral Production Sharing Agreements (MPSA) with the Philippine Government, which were acquired by the Company from ECMRCI pursuant to the share-swap transaction that was approved by the SEC last May 29, 2023: , which were , whic

<i>Mining Claim Number</i>	<i>Location</i>
MPSA 078-97-XIII (SMR)	Brgy. Valencia, Cagianao, Surigao Del Norte
MPSA 232-2007-XIII (SMR)	Libjo, Surigao Del Norte
MPSA 233-2007-XIII (SMR)	Loreto, Surigao Del Norte

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 2. Properties

Pursuant to the Memorandum of Agreement between Sps. Pagauitan and TACD, the Company is expecting to receive and acquire real properties that are being offered by TACD as payment for the subscription price for the 486,055,662 partially-paid ECVMC shares. At present, the transaction is still in process.

Item 3. Legal Proceedings

There is no material pending legal proceeding to which the Company or its subsidiary or affiliate is a party, or of which any of their property is the subject.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders during the fiscal year covered by this report, other than those voted upon at the Annual Stockholders' Meetings held on September 11, 2023.

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

The principal market where the issuer's common equity is traded to the Philippine Stock Exchange. The high and low sale price of the Company's shares for each quarter during the last two (2) fiscal years 2022 and 2023 and the first quarter of the current fiscal year 2024, expressed in Philippine Pesos, are as follows:

<u>2024</u>	<u>High</u>	<u>Low</u>
First Quarter	0.64	0.62
<u>2023</u>	<u>High</u>	<u>Low</u>
First Quarter	0.93	0.89
Second Quarter	1.30	1.09
Third Quarter	0.64	0.62
Fourth Quarter	0.63	0.59
<u>2022</u>	<u>High</u>	<u>Low</u>
First Quarter	1.48	0.78
Second Quarter	1.02	0.76
Third Quarter	1.07	0.76
Fourth Quarter	0.92	0.78

As of December 31, 2023 of this Annual Report, the market price of the Company's share is P0.60 per share. The Company is not trading its common equity outside of the Philippine Stock Exchange, Inc.

The Company had not declared any dividends in fiscal years 2023 and 2022.

The Company's ability to declare and pay dividends on common equity is restricted by the availability of sufficient retained earnings.

The number of shareholders of record as of December 31, 2023 was one thousand nine hundred (1,908). All of the Company's shares of stock are common shares of which 0.29% or 19,282,902 shares are foreign-owned.

The Top 20 Stockholders as of December 31, 2023 are:

RANK	NAME	# of Shares	% of Total
1	PAGAUITAN, HILARIO G.	4,931,878,000	74.3873
2	PCD NOMINEE CORPORATION*	903,652,812	13.6298
	FILIPINO - 888,344,331		
	NON-FILIPINO - 15,308,481		
	TECHNO-ASIA CONSTRUCTION AND DEV'T		
3	INCORPORATION	486,055,662	7.3312
4	PAGAUITAN, SOFIA G.	165,242,000	2.4923
5	PAGAUITAN II, ISAAC HILARIO G.	59,570,000	0.8985
6	PAGAUITAN, MICHAEL ABRAHAM G.	15,540,000	0.2344
7	RAMOS, ALFREDO C.	9,006,176	0.1358
8	PARADA, MA. HILARNIE MERCURIE P.	7,777,000	0.1172

9	SY,EUGENE	3,000,000	0.0452
10	BPI FAO IBOD	2,970,555	0.0448
11	ACUNA, EMMANUEL	2,800,000	0.0422
12	YAN, LUCIO W.&OR CLARA YAN	2,500,000	0.0377
13	WISE SECURITIES PHILS., INC	1,690,000	0.0255
14	CAMPOS, LANUZA & CO., INC	1,500,769	0.0226
15	G & L SECURITIES CO., INC	880,000	0.0133
16	L.M. GARCIA & ASSOCIATES, INC	623,724	0.0094
17	VIMC SPECIAL ACCOUNT	576,500	0.0087
18	MENDOZA, ALBERTO & /OR JEANIE C. MENDOZA	564,950	0.0085
19	CARLOS, FILOMENA R.	537,672	0.0081
20	YAN, LUCIO W.	524,904	0.0079

No unregistered securities were sold during the past three (3) years. All of the Company's issued and outstanding shares of stocks are duly registered in accordance with the provisions of the Securities Regulation Code.

Item 6. Management's Discussion and Analysis or Plan of Operation

ECVC and ECMRCI Share-for-Share Swap Transaction

On July 1, 2021, the 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 to up to 5,180,000,000 shares of ECVMC arising from an increase in authorized capital stock.

Amendment of Articles of Incorporation

At the shareholders' meeting held on November 8, 2021, the shareholders and Board of Directors of the Company approved the following amendments to the Company's Articles of Incorporation

- 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, or the subscription by, among others, the group led by the HGP Group.

The subscription to the increase of capital stock will be paid 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.

In 2022, the Company submitted its application for the amendment of Articles of Incorporation as discussed above to the SEC. On May 29, 2023, the SEC approved the Company's application for the amendment of its Articles of Incorporation.

Upon approval of the SEC on May 29, 2023, the Company issued 5,100,000,000 common shares with par value of One Peso (Php1.00) per share to the 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. The Company likewise filed an application for the listing of the attendant shares with the Philippine Stock Exchange.

Currently, the Company is now in the process of cleaning up a deficit which existed prior to the acquisition of ECVMC by the East Coast Group. At its annual meeting in September 11, 2023, the shareholders and Board of Directors of the Company approved the following amendment in the Company's Articles of Incorporation:

- Change in corporate name to "East Coast Vulcan Mining Corporation";
- Change in principal office address to Unit 1502, Pacific Star Building, Sen. Gil J. Puyat Ave., Makati City, Metro Manila 1209; and
- Increase in the authorized number of ECVMC shares from 12,000,000,000 to 120,000,000,000 shares, while simultaneously decreasing the share par value from PhP1.00 to PhP0.10, and thus, maintaining the stockholders' position

Thus, in 2023, the Company submitted its application for the amendment of Articles of Incorporation to the SEC for the (i) change in the Company's corporate name to "East Coast Vulcan Mining Corporation"; and (ii) change in principal office address to Unit 1502, Pacific Star Building, Sen. Gil J. Puyat Ave., Makati City, Metro Manila 1209. On April 19, 2024, the SEC approved the Company's application for the amendment of its Articles of Incorporation for the purposes stated above.

The Company is also processing the full payment of the 486,055,662 partially-paid ECVMC shares that were assigned and transferred by Hilario G. Pagauitan and Sofia G. Pagauitan (hereinafter, "Sps. Pagauitan") to Techno-Asia Development Corporation ("TACD") as part of its quasi-restructuring plan, pursuant to a Memorandum of Agreement dated June 22, 2023 ("MOA"). Among others, the MOA provides that TACD shall assume the obligation to pay to the Company the unpaid subscription balance for the Shares in either cash, shares, and/or assets acceptable to the Company's Board of Directors. Pursuant to the MOA, Spouses Pagauitan and TACD executed a Deed of Assignment of Partially-Paid Shares dated September 11, 2023, for the assignment of the 486,055,662 partially-paid shares of East Coast Vulcan Corporation (the "Company") to TACD. The 486,055,662 partially-paid shares currently represent 7.33% of the outstanding capital stock of 6,630,000,000 common shares of the Company.

At present, the Company and TACD are currently collating the necessary documents required to finalize the transaction. Thus, the payment of the subscription price for the 486,055,662 partially-paid ECVMC shares is still in process.

Upon finalizing the full payment of the 486,055,662 partially-paid ECVMC shares, the Company, as part of its quasi-restructuring plan, likewise intends to proceed applying for the decrease of the par value of ECVMC shares with the SEC, thereby amending Article Seventh of the Corporation's Articles of Incorporation, to state that the amount of capital stock of the Company is Twelve Billion Pesos (Php 12,000,000,000.00) Philippine currency, and the said capital is divided into One Hundred Twenty Billion (120,000,000,000) common shares at the par value of Ten centavos (Php 0.10) per share.

This move to amend the par value vis-à-vis the number of shares is more beneficial to the Company stockholders as it will increase liquidity and trading in the shares, and at the same time places a milestone on the Company's direction as a significant and determined mining company with the aim of declaring dividends in the coming periods. Accordingly, the proposed quasi-restructuring and decrease in the par value of common shares of the Company will allow further business development, additional floating of shares, and fund raising to invite potential investors and partners, all with the ultimate aim declaring dividends in the coming periods.

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. Should the Company's cash position be not sufficient to meet current requirements, the Company may consider borrowing from its subsidiary.

The Company has NO material commitments for capital expenditures EXCEPT for the Company's exploration and development costs in mineral projects.

Results of Operations

2023 compared to 2022 and 2021

For the year 2023, the Company incurred net income amount to ₱134 million. The income comes from its subsidiary (ECMRCI). In 2022, the Company incurred a net loss of ₱5.3 million which is attributable to general administrative expenses incurred by the Company during the year and the Company incurred a net loss of ₱2.1 million in 2021. The net loss in 2022 and 2021 was due to general administrative expenses incurred by the Company.

Total costs and expenses for years 2023, 2022 and 2021 amounts to ₱180.01 million, ₱5.3 million, ₱2.1 million, respectively. Expenses incurred in 2023, 2022, and 2021 mostly on taxes, licenses and fees, outside services for consultant and Director fees.

Financial Position

On May 29, 2023, the SEC approved the Company's application to increase its authorized capital stock from 4 Billion Pesos (P4,000,000,000.00) to 12 Billion Pesos (P12,000,000,000.00).

The 5.18 billion (5,180,000,000) common shares were issued in exchange for 100% ownership of ECMRCI, a corporation engaged in mining operations.

Further, the approval of the SEC of the capital increase and the said business combination transaction resulted to ECMRCI becoming a wholly owned subsidiary of the Company and thus allowed the Company to consolidate ECMRCI's operations into its books.

As of December 31, 2023, the Company consolidated total equity is 1.3 Billion and 2022, the Company has incurred cumulative losses resulting to a capital deficiency amounting to ₱8.7 million.

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

	31 Dec. 2023	31 Dec. 2022	31 Dec. 2021
Current Ratio	1.32:1	0.04:1	0.04:1
<u>Current Assets</u>	<u>1,064,990,404</u>	<u>394,509</u>	<u>139,047</u>
Current Liabilities	806,702,765	9,158,138	3,510,955
Debt to Equity Ratio	0.66:1	(1.05):1	(1.04):1
<u>Total Liabilities</u>	<u>891,321,858</u>	<u>9,158,138</u>	<u>3,510,955</u>
Stockholders' Equity	1,349,039,916	(8,711,779)	(3,371,908)
Equity to Debt Ratio	1.51:1	(0.95):1	(0.96):1
<u>Stockholders' Equity</u>	<u>1,349,039,916</u>	<u>(8,711,779)</u>	<u>(3,371,908)</u>
Total Liabilities	<u>891,321,858</u>	9,158,138	3,510,955

Book Value Per Share	0.22	(0.006)	(0.0023)
<u>Stockholders' Equity</u>	<u>1,349,039,916</u>	<u>(8,711,779)</u>	<u>(3,371,908)</u>
Total # of shares	6,172,497,120	1,450,000,000	1,450,000,000
 Earnings (Loss) per share	 0.022	 (0.0037)	 (0.0014)
<u>Net Income (Loss)</u>	<u>134,103,171</u>	<u>(5,339,871)</u>	<u>(2,082,278)</u>
Total # of shares	6,172,497,120	1,450,000,000	1,450,000,000

There are NO events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

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

There are NO material commitments for capital expenditures.

There are NO trends, events or uncertainties that have had or reasonably expected to have a material impact on the revenue or income from continuing operations of the Company.

There are NO significant elements of income or loss that did not arise from continuing operations.

There have been NO seasonal aspects that had material effect on the financial condition or result of operations of the Company.

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.
- 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.
- 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).

Item 7. Financial Statements

The Audited Financial Statements as of December 2023 are filed as part of this Form 17 – A.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

The accounting firm of Sycip Gorres Velayo (SGV) with address at 6760 Ayala Avenue, Makati City was appointed external auditor of the Company in 2023 Annual Stockholders Meeting. The fees of the external auditor in the past two (2) years are as follows:

Year	Audit & audit related fees	Tax Fees	Other Fees
2023	600,000	-0-	-0-
2022	326,984	-0-	-0-

For the past two (2) years, the Company has not engaged the services of SGV except for the statements in connection with statutory and regulatory filings for the year 2023 and 2022. The amounts under the caption of “Audit and audit related fees” for the years 2023 and 2022 pertain to these services. The Audit Committee prohibits the Company from engaging the external auditor to provide services that may adversely affect its independence, including those expressly prohibited by regulations of the Securities and Exchange Commission (SEC).

SGV representatives are expected to be present at the Meeting and they will have the opportunity to make statement and respond to appropriate questions.

The Audit Committee reviews and recommends to the Board the appointment of SGV to the stockholders for appointment as external auditor of the Company.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

Directors & Executive Officers of the Registrant

Directors elected in the Annual meeting of Stockholders have a term of office of one (1) year and serve as such until their successors are elected and qualified in the next succeeding Annual Meeting of Stockholders, provided that a director who was elected to fill in a vacancy arising in the Board shall only serve the unexpired portion of his predecessor.

The names, ages, positions, periods of service of all incumbent directors and executive officers as such, and their business experience in the past five (5) years are as follows:

Hilario G. Pagautan, 67, Filipino, was elected as Chairman of the Board and CEO of the Company on November 8, 2021. He is the majority owner of East Coast Mineral Resources Company Incorporated, a Company primarily engaged in the business of operating gold and nickel mines. He is the incumbent Mayor of Sta. Maria, Isabela. Mr. Pagautan is a geologist by profession with extensive experience in the mining industry. He has interests in and serves as a director and/or senior officer at other privately-owned mining companies.

Sofia G. Pagautan, 63, Filipino, was appointed Vice-Chairman, of the Company on November 8, 2021. She has served as a director and/or senior officer of companies engaged in mining and construction.

Isaac Hilario G. Pagautan II, 39, Filipino, was elected Director on November 8, 2021 and is the incumbent Senior Vice President - Business Development and Data Privacy Officer. He has served as a director and/or officer of companies engaged in mining, construction, and agriculture. He is presently a Councilor of Sta. Maria, Isabela.

Michael Abraham G. Pagautan, 36, Filipino, was elected Director on November 8, 2021. He is the incumbent Chief Risk Officer and has served as a director and/or officer of companies engaged in mining, construction, and agriculture. He is formerly the Barangay Chairman of Calamagui North Sta. Maria, Isabela and the President of the Liga ng mga Barangay, Sta. Maria, Isabela. He is presently the Vice Mayor of Sta. Maria, Isabela

Ma. Hilarnie Mercurie P. Parada, 42, Filipino, was elected Director on November 8, 2021 and is the incumbent Treasurer of the Company. She has served as a director and/or officer of companies engaged in mining, construction, and agriculture.

Edgardo V. Caringal, 68, Filipino, was elected Director on November 8, 2021 and is the incumbent Senior Vice President – Operations and Chief Compliance Officer. He is a veteran geologist and mining professional. He has extensive experience in the mining industry and has served as senior officer to several mining companies.

Ramon C. Lee, 83, Filipino, was elected Director on November 8, 2021. He is a seasoned businessman with extensive experience in textile and mining.

Orlando S. Mercado, 75, Filipino, was elected Director on October 14, 2022. He is a former Senator, Secretary of Defense and Ambassador. He is a veteran broadcaster and professor of political science, communication and business management. He is currently Chairman of the Multi-Sectoral Advisory Board of the Education, Training and Doctrine Command of the Armed Forces of the Philippines (an advisory group) and a member of the faculty of the Ateneo School of Government, an Eminent Fellow and member of the Academic Council of the Development Academy of the Philippines (DAP). He also teaches MBA courses on FEU Makati.

Adrian Paulino S. Ramos, 45, Filipino, has been a Director of the Company since 2006. For the past five (5) years, he has served as a director and/or executive officer of companies engaged in printing, publication, sale and distribution of books, magazines and other printed media, investment holdings, mining, financial services, securities and water infrastructure.

Roberto A. Baquiran, 63, has been the Company's Independent Director since 2022. He is a Certified Public Accountant and a member of the Integrated Bar of the Philippines. He was appointed as Chief of Staff of the Commissioner of Internal Revenue by former President Rodrigo Roa Duterte in 2018. He is an experienced tax practitioner, being with the Bureau of Internal Revenue (BIR) for 30 years. He rose from the ranks and held the posts of Chief of the National Investigation Division, Asst. Regional Director and Revenue District Officer (Makati), as well as technical assistant at the Office of the Commissioner of Internal Revenue, Office of the Deputy Commissioners for Legal and Enforcement, and Operations Groups, and revenue audit examiner. At the BIR, he became a member of the VAT Ruling Committee, Income Tax Regulations Committee and E-Commerce Regulations Committee. At current, he is a Partner at Baquiran, Benitez, Belarmino, Ting and Yu Accounting Office and the Baquiran, Lumanta and Orpilla Attorneys-at-Law.

Joshua A. Parada, 42, has been the Company's Director since 2023. He is a licensed Chief Engineer and has been on board various international maritime tanker vessels, such as but not limited to BW Gas LNG, LPG Tanker "Clipper Venus", LPG Tanker "Clipper Skagen", LPG Tanker "Clipper Sirius", LPG Tanker "HEROS", and LPG Tanker "HERA". He is a graduate of Bachelor of Science Major in Marine Engineering at the Philippine Merchant Marine Academy. He likewise served as AUX Machinery Instructor/ Engine Simulator at the Mariners Polytechnic College, New Simulator Training Center, and Norwegian Training Center.

Sofia Anne Clare G. Pagautan 24, has been the Company's Director since 2023. She is the current Executive Director of two foundations, namely, Sofia Anne Clare Foundation Inc. and Maria Lourdes G. Pagautan Memorial Foundation Inc. She also serves as the Executive Assistant to the Chief Executive Officer and President of East Coast Mineral Resources Company Incorporated. She graduated at the Ateneo De Manila University with the degree of Bachelor of Science in Business Management.

Jose Ngaw, 74, has been the Company's Independent Director since 2023. He is a member of the Integrated Bar of the Philippines and currently the Chairman of the Board of Regents of the Pamantasan ng Lungsod ng Maynila. He is likewise serving as an Independent Director of IRemit, Inc. and a member of the Board of Directors of Bahia Shipping Services, Inc. Throughout his career, he previously served as the Board Advisor of the Philippine National Bank and Philippine Airlines, Inc., President of PNB Holdings, Inc., Board Secretary of Century Park Hotel, member of the Board of PNB Int'l Investment Corp. (U.S.A.) and PNB Securities, Inc., and Board of Trustee of University of the East and U.E.R.M. Medical Center. Being a Filipino-Chinese, aside from the Filipino and English languages, he is also fluent in Fukienese, Cantonese, and Mandarin (Putonghua) Chinese languages

Jose T. Nacorda, Jr., 68, Filipino, is the incumbent Senior Vice President - Finance and Admin and SEC Compliance Officer.

Gaspar R. Andres, Jr., 93, Filipino, is the incumbent as Corporate Secretary of the Company. He has served as officer and/or corporate secretary or legal counsel of companies involved in mining and mineral processing. He has also been the Corporate Secretary of the Chamber of Mines of the Philippines since 2010. Atty. Andres is a member of the Integrated Bar of the Philippines.

Ana Maria A. Katigbak-Lim, 52, Filipino, is the incumbent Assistant Corporate Secretary and Corporate Information Officer. She is a Senior Partner in Castillo Laman Tan Pantaleon & San Jose Law Firm. She is a member of the Integrated Bar of the Philippines and a graduate of Bachelor of Laws at the University of the Philippines. For the past five years, she has served as assistant corporate secretary in certain publicly-listed companies such as Marcventures Holdings, Inc., Premiere Horizon Alliance Corporation, Mabuhay Holdings Corp., Paxys, Inc., Energy Development Corp., and Solid Group, Inc., and as corporate secretary in Alsons Consolidated Resources, Inc. and IPM Holdings, Inc.

Lester Laurence S. Baguec, 42, Filipino, is the incumbent Corporate Finance, Corporate Planning Executive and Investor Relations Officer.

Dave D. Eustaquio, 25, Filipino, is the incumbent Chief Audit Executive and Internal Audit Head.

Directors with other directorship(s) held in reporting companies

ADRIAN PAULINO S. RAMOS

Alakor Securities Corporation
Atlas Consolidated Mining & Dev. Corp.
Anglo Philippine Holdings Corporation

United Paragon Mining Corporation
The Philodrill Corporation

Involvement in Certain Legal Proceedings

The Company is not aware of any involvement of its executives/officers/directors in any legal proceedings for the past five (5) years.

The following Independent directors are not officers or substantial shareholders of the Company nor is a director or officer of its related companies:

1. Roberto A. Baquiran
2. Jose Ngaw

Significant Employees

Other than its current officers, the Company has not engaged the services of any person who is expected to make significant contributions to the business of the Company.

Family Relationship

Mr. Hilario G. Pagautitan, Chairman of the Board, President & CEO, is the husband of Mrs. Sofia G. Pagautitan, Vice-Chairman and Isaac Hilario G. Pagautitan II, Senior Vice President - Business Development and Data Privacy Officer, Ma. Hilarnie Mercurie P. Parada, Treasurer, and Michael Abraham G. Pagautitan, Director and Chief Risk Officer, Sofia Anne Clare G. Pagautitan, Director are their children.

Item 10. Executive Compensation

Information as to the aggregated compensation paid or accrued during the last two fiscal years and to be paid in the ensuing fiscal year to the Company's Chief Executive Officer and four other most highly compensated executive officer as follows:

Chief Executive Officer and highly compensated executive officer	Year	Salary	Bonus	Other Annual Compensation
Hilario G. Pagautitan	Chairman of the Board. President and Principal Executive Officer			
Sofia G. Pagautitan	Vice-Chair			
Isaac Hilario G. Pagautitan II	Senior Vice President – Business Development, Data Privacy Officer and Chief Risk Officer			
	2022	-0-	-0-	-0-
	2023	-0-	-0-	-0-
	2024(est)	-0-	-0-	-0-
All officers and directors as	2022	-0-	-0-	-0-

a group unnamed	2023	-0-	-0-	-0-
	2024(est)	-0-	-0-	-0-

There were no compensation for officers in 2023, 2022 and 2022 due to termination of all employees in year 2012.

For the most recently completed fiscal year and the ensuing fiscal year, directors will receive a per diem of P15,000 per meeting to defray their expenses in attending board meetings. There are no other arrangements for compensation of directors, as such, during the last fiscal year and for the ensuing fiscal year.

There are NO warrants or options outstanding in favor of directors and officers.

Item 11. Security Ownership of Certain Beneficial Owners and Management

a.) As of December 31, 2023, ECVC knows of no one who beneficially owns in excess of 5% of ECVC's common stock except as set forth in the table below.

Among the participants under PCD, NO account owns more than 5% of the voting stock.

Class	Name and Address of Record Owner / Relationship to Issuer	Name of Beneficial Owner / Relationship with Record Owner	Citizenship	Number of Shares Held	% of Ownership
Common	Hilario G. Pagautan	Hilario G. Pagautan	Filipino	4,931,878,000 (direct)	74.39%
Common	PCD Nominee Corporation - Philippine Stock Exchange Bldg., Ayala Ave., Makati City	Various Clients / Stockholder (See Note A)	Filipino/Non-Filipino	703,652,812*	10.61%
Common	Techno-Asia Construction and Dev't Incorporated	Techno-Asia Construction and Dev't Incorporated	Filipino	486,055,662**	7.33%

Note:

Note A: Of the total 903,652,812 shares under the name of PCD Nominee Corp., 200,000,000 shares are under the name of Alakor Securities Corporation (ASC) FAO National Bookstore.

Note B: Beneficial Ownership Report by Security (List of PCD Participants) as of December 31, 2023. 486,055,662 of the Issued and Outstanding Common Shares, which are not yet fully-paid, represented spouses Hilario G. Pagautan and Sofia G. Pagautan's share subscription, which were assigned to Techno-Asia Construction and Development Incorporated, pursuant to a Deed of Assignment dated September 11, 2023.

As a matter of practice, PCD itself does not vote the number of shares registered in its name; instead, PCD issues a general proxy constituting and appointing each of its participants as PCD's proxy to vote for the number of shares owned by such participant in PCD's books as of Record Date.

b.) Security Ownership of the Board and Management as of December 31, 2023

Class	Name of Beneficial Owner	Amount/Nature of Beneficial Ownership		Citizenship	Percentage of Ownership
		Direct	Indirect		
Common	Hilario G. Pagautan	4,931,878,000	-	Filipino	74.39%
Common	Sofia G. Pagautan	165,242,000	-	Filipino	2.49%
Common	Isaac Hilario G. Pagautan II	59,570,001	999	Filipino	0.90%
Common	Michael Abraham G. Pagautan	15,540,001	999	Filipino	0.23%
Common	Ma. Hilarnie Mercurie P. Parada	7,770,001	999	Filipino	0.12%
Common	Adrian Paulino S. Ramos	500	4,072,620	Filipino	0.00%
Common	Orlando S. Mercado	220,000	-	Filipino	0.00%
Common	Edgardo V. Caringal	1	999	Filipino	0.00%
Common	Ramon C. Lee	1	99,999	Filipino	0.00%
Common	Sofia Anne Clare G. Pagautan	1	-	Filipino	0.00%
Common	Joshua B. Parada	1	-	Filipino	0.00%
Common	Roberto A. Baquiran (ID)	19,997	-	Filipino	0.00%
Common	Jose Ngaw	1	-	Filipino	0.00%

As of August 11, 2023, the aggregate number of shares owned by Company's directors, Chief Executive Officer, and other officers is 5,180,000,506 shares or approximately 78.13% of the Company's outstanding capital stock. Except for the shares appearing on record in the names of the directors and officers above, the Company is NOT aware of any shares which said person may have the right to acquire beneficial ownership of.

c) Voting Trust Holders of 5% or more

To the extent known to the Company, there is NO PERSON holding more than 5% of any class of the Company's securities under a voting trust or similar agreement.

d) Change in control

Since the last Annual Meeting of Stockholders held last September 11, 2023, there were no changes in the composition of the Board of Directors, as disclosed by the Company on September 11, 2023.

Item 12. Certain Relationships and Related Transactions

In the ordinary and regular course of the business, the Company had transactions with related parties (i.e. companies with shareholders common with the Company) which principally consist of advances to related parties and loans/advances from related parties, the identities of these related parties, including the amounts and details of the transactions are disclosed in Note No. 8 of the Company's 2023 Audited Financial Statements.

The business purpose of related party transaction is to address immediate working capital requirements of related parties (in cases of advances to related parties) or of the Company (in the case of loans/advances from related parties).

All transactions with related parties are based on prevailing market/commercial rate at the time of the transaction.

There are no on-going contractual or other commitments as a result of the arrangement other than the repayment of money lent or advanced.

PART IV –CORPORATE GOVERNANCE

Item 13. Corporate Governance

Pursuant to Memorandum Circular No. 20, Series of 2017, issued by the Securities and Exchange Commission (SEC), Annual Corporate Governance Report is no longer required to be attached to the 2023 Annual Report.

The Company filed a copy of its 2022 Integrated Annual Corporate Governance Report (I-ACGR) to the SEC on May 31, 2023 and is posted in the Company website. The I-ACGR for 2023 will be filed with the SEC on or before it falls due for submission.

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

(a) Exhibits - See accompanying index to exhibits

(b) Reports on SEC Form 17-C

Report on Form 17- C (Current Report) had been filed during the last twelve (12) months of 2023 to present.

Date	Particulars
April 11, 2023	Resignation of Chief Risk Officer/ Appointment of new Chief Risk Officer and Investor Relations Officer/ Postponement of 2023 Annual Stockholders' Meeting/ Approval of the 2022 Audited Financial Statements
May 29, 2023	SEC Approval of Increase of Capital Stock and SEC Approval of Amendment of Articles of Incorporation
May 31, 2023	Change in Corporate Name and/or Stock Symbol
May 31, 2023	Change of Issued, Outstanding Shares, Public and Foreign Ownership Percentage and Stock Symbol
June 6, 2023	Resignation of Mr. Earl J. Torres as independent director / Approval of the Board of Directors of the change of stock symbol of the Company from "VUL" to "ECVC" / Holding of the 2023 Annual's Stockholders' Meeting on September 11, 2023 / Consent for Sps. Pagautan to assign to third-parties the 486,055,662 partially-paid shares acquired from National Book Store / Offer and issuance of 550,000,000 new private placement shares at the subscription price of Php1.00 per share

June 22, 2023	Execution of the Memorandum of Agreement dated June 22, 2023 between Sps. Pagauitan and TACD
August 16, 2023	Change in e-mail address and website details of the Company
September 11, 2023	Execution of the Deed of Assignment of Partially-Paid Shares dated September 11, 2023 between Sps. Pagauitan and TACD
September 11, 2023	Results of the 2023 Annual Stockholders' Meeting and Organizational Board Meeting of the Board of Directors
October 4, 2023	Plan of Action of the Company to comply with the 20% minimum public float requirement of the Philippine Stock Exchange
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 Audited Financial Statements / Postponement of the Company's 2024 Annual Stockholders Meeting to July 12, 2024

SIGNATURE

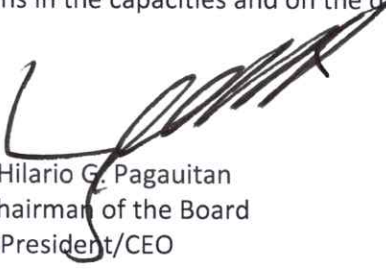
Pursuant to the requirements of Section 11 of the RSA and Section 141 of the Corporation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned; thereunto duly authorized, in the City of Makati on ____ April 2024.

EAST COAST VULCAN 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. Pagautitan
Chairman of the Board
President/CEO


Ma. Hilarnie Mercurie P. Parada
Treasurer


Gaspar R. Andres, Jr.
Corporate Secretary


Jose T. Nacorda, Jr.
SEC Compliance Officer
SVP - Finance


Ana Maria A. Katigbak-Lim
Corporate Information Officer

MAKATI CITY

APR 23 2024

SUBSCRIBED AND SWORN to before me this ____ day of April 2024, affiant exhibited to me his Community Tax Certificates, as follows:

Names	Passport Number/ Government Issued ID	Issue Date/Expiry Date	Place of Issue
Hilario G. Pagautitan	Passport No. P7894187A	July 11, 2018/ July 10, 2028	DFA Tuguegarao
Ma. Hilarnie Mercurie P. Parada	Passport No. P8180064A	July 11, 2018/ July 10, 2028	DFA Tuguegarao
Gaspar R. Andres, Jr. SSS	ID No. 03-2246688-5		SSS
Jose T. Nacorda, Jr.	DL No. K07-90-006716	Jan. 24, 2032	LTO
Ana Maria A. Katigbak-Lim	Passport No. P7145377B	July 07, 2021/ Jul 6, 2031	DFA Manila

Doc No. 142
Page No. 70
Book No. 17
Series of 2024.

East Coast Vulcan Corporation
Annual Report Sec 17-A 2023
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ATTY. JOEL FERRER FLORES
Notary Public for Makati City
Until December 31, 2024
Appointment No. M-115 (2023-2024)
Roll Of Attorney No. 77376
MCLE Compliance VIII No. 0001393-
Jan. 3, 2023 until Apr. 12, 2028
PTR NO. 10073945/ Jan. 2, 2024/ Makati City
IBP No. 330740/ Jan. 2, 2024/ Pasig City
1107 Bataan St., Guadalupe Nuevo, Makati City

VULCAN INDUSTRIAL & MINING CORPORATION
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SEC FORM 17-A

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CONSOLIDATED FINANCIAL STATEMENTS

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Report of Independent Public Accountants
Statements of Financial Position as of December 31, 2023 and 2022
Statements of Comprehensive Income for each of the
 Three Years in the Year Ended December 31, 2023, 2022, 2021
Statements of Changes in Equity for each of the
 Three Years in the Year Ended December 31, 2023 2022, 2021
Statements of Cash Flows for each of the
 Three Years in the Year Ended December 31, 2023, 2022, 2021
Notes to Financial Statements

SUPPLEMENTARY SCHEDULES

Report of Independent Public Accountants on Supplementary Schedules

Schedule A	Financial Assets
Schedule B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
Schedule C	Amounts Receivable from Related Parties
Schedule D	Intangible Assets – Others Asset
Schedule E	Long-Term Debt
Schedule F	Indebtedness to Related Parties (Long-term Loans from Related Companies)
Schedule G	Guarantees of Securities of Other Issuers
Schedule H	Capital Stock
Schedule I	Reconciliation of Retained Earnings Available for Dividend Declaration as of December 31, 2023
Schedule J	Financial Ratios
Schedule K	Tabular Schedule of Effective Standards and Interpretations under the PFRS as of December 31, 2023

Fw: Your BIR AFS eSubmission uploads were received

[Yahoo Mail: Search, Organize, Conquer](#)

----- Forwarded Message -----

From: "eafs@bir.gov.ph" <eafs@bir.gov.ph>
To: "INFO@VULCANMININGCORP.COM" <INFO@VULCANMININGCORP.COM>
Cc: "ROSIEROSARIA@YAHOO.COM" <ROSIEROSARIA@YAHOO.COM>
Sent: Mon, May 6, 2024 at 6:23 PM
Subject: Your BIR AFS eSubmission uploads were received

Hi VULCAN INDUSTRIAL AND MINING CORPORATION,

Valid files

- EAFS000062736ITRTY122023.pdf
- EAFS000062736AFSTY122023.pdf
- EAFS000062736RPPTY122023.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-PYRNY2N0BHF9AAKP4MS1Y2Q0QNWPNRP1**

Submission Date/Time: **May 06, 2024 06:22 PM**

Company TIN: **000-062-736**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.



EAST COAST VULCAN CORPORATION
formerly VULCAN INDUSTRIAL & MINING CORPORATION
U1502, Pacific Star Bldg., Sen. Gil Puyat Ave., Cor. Makati Ave., Bel-Air, Makati City 1209
Tel (632) 8511-8312: Fax (632) 8550-1468
Website: www.eastcoastvulcanmining.com

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

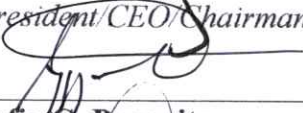
The management of East Coast Vulcan Corporation (the parent company) and its subsidiary (collectively referred to as the group) is responsible for the preparation and fair presentation of the consolidated and parent company financial statements including the schedules attached therein, for the years ended December 31, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and parent company financial statements, management is responsible for assessing the Group's/Parent Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process. The Board of Directors reviews and approves the consolidated and parent company financial statements including the schedules attached therein, and submits the same to the stockholders or members.

SyCip, Gorres, Velayo & Co., the independent auditor appointed by the stockholders for the years ended December 31, 2023 and 2022, respectively, has audited the consolidated and parent company financial statements of the Group and the Parent Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.


Hilario G. Pagautitan
President/CEO/Chairman of the Board


Sofia G. Pagautitan
Vice-Chairman


Ma. Hilarnie Mercurie P. Parada
Treasurer

Signed this ____ day of ____

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SERIES OF 2024


ATTY. JOEL FERRER FLORES
Notary Public for Makati City
Until December 31, 2024
Appointment No. M-115 (2023-2024)
Roll Of Attorneys No. 77376
MCLE Compliance VII No. 0001393-
Jan. 3, 2023 until Apr. 12, 2028
PTR NO. 10073945/ Jan. 2, 2024/ Makati City
IBP No. 330740/ Jan. 2, 2024/ Pasig City
1107 Bataan St., Guadalupe Nuevo, Makati City

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

7 4 4 3

COMPANY NAME

E A S T C O A S T V U L C A N C O R P O R A T I O N

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

4 t h F l o o r , L o w R i s e , P a c i f i c
S t a r B u i l d i n g 1 2 0 9 S e n . G i l J .
P u y a t A v e . M a k a t i C i t y M e t r o
M a n i l a

Form Type

A A F S

Department requiring the report

C G F D

Secondary License Type, If Applicable

N / A

COMPANY INFORMATION

Company's Email Address

info@eastcoastvulcan.com

Company's Telephone Number/s

(02) 8511-8312

Mobile Number

N/A

No. of Stockholders

1,908

Annual Meeting Month/Day

Last Wednesday of May

Fiscal Year Month/Day

12/31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Atty. Gaspar R. Andres Jr.

Email Address

grandres14@yahoo.com

Telephone Number/s

(02) 8631-5139

Mobile Number

N/A

CONTACT PERSON'S ADDRESS

4th Floor, Low Rise, Pacific Star Building 1209 Sen. Gil J. Puyat Ave. Makati City, Metro Manila

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
East Coast Vulcan Corporation (formerly Vulcan Industrial & Mining Corporation)
4th Floor, Low Rise, Pacific Star Building
1209 Sen. Gil J. Puyat Ave.
Makati City, Metro Manila

Report on the Audit of the Consolidated and Parent Company Financial Statements

Opinion

We have audited the consolidated financial statements of East Coast Vulcan Corporation (formerly Vulcan Industrial & Mining Corporation, the Parent Company, ECVVC) and its subsidiary (the Group) and the parent company financial statements of the Parent Company, which comprise the consolidated and parent company statements of financial position as at December 31, 2023 and 2022 and the consolidated and parent company statements of income, consolidated and parent company statements of comprehensive income, consolidated and parent company statements of changes in equity (capital deficiency) and consolidated and parent company statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the consolidated and parent company financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and parent company financial statements present fairly, in all material respects, the financial position of the Group and the Parent Company as at December 31, 2023 and 2022, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2023, in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements* section of our report. We are independent of the Group and the Parent Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and parent company financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and parent company financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and parent company financial statements.

Accounting for the Reverse Acquisition of East Coast Vulcan Corporation and East Coast Mineral Resources Company, Incorporated

On July 1, 2021, ECVC entered into a Memorandum of Agreement (“MOA”) with 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. On May 29, 2023, the increase in authorized capital stock was approved by the Philippine Securities and Exchange Commission and ECVC issued to 5,180.00 million shares with par value of ₱1 per share to HGP Group in exchange for the 100% outstanding shares of ECMRCI (the “Transaction”). The Transaction resulted in ECVC obtaining 100% interest in and control over ECMRCI. The transaction was accounted for as a reverse acquisition with ECVC, as the legal parent and the identified accounting acquiree, and ECMRCI, as the legal subsidiary and accounting acquirer.

The accounting for reverse acquisition of ECVC is a key audit matter due to the accounting complexity of the transaction and it involves significant amounts and judgment. Management judgment was required to determine that ECVC did not meet the definition of a “business” and should not be accounted for as a business combination.

The Group’s disclosures about the Transaction are included in Notes 1, 2, 3, and 14 to the consolidated and parent company financial statements.

Audit Response

We obtained the Board of Directors and stockholders’ approval on the increase in capital stock of ECVC including the subscription of the majority shareholders of ECMRCI. We also obtained the regulatory approvals related to the increase in the capital stock of ECVC. We obtained an understanding of the ownership structure of ECVC and ECMRCI and the related supporting documents and evaluated management’s assessment on the existence of existing common controlling ownership over these entities before and after the transaction.

We obtained and reviewed management’s assessment of ECMRCI’s, the accounting acquirer, reverse acquisition over ECVC, the accounting acquiree, considering the requirements under Philippine Financial Reporting Standard 3, *Business Combinations*. We tested the management’s accounting for the reverse acquisition transaction by checking the balances of the acquired entity, the resulting equity adjustments and the basis of the preparation of the consolidated financial statements and the restatement of the comparative information to reflect that the consolidated financial statements are that of the business of ECMRCI, the accounting acquirer.

We also reviewed the presentation and disclosures related to the reverse acquisition transaction in the consolidated and parent company financial statements.



Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the consolidated and parent company financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and parent company financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated and parent company financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and parent company financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Parent Company Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and parent company financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and parent company financial statements, management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Parent Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and parent company financial statements.



As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and parent company financial statements, including the disclosures, and whether the consolidated and parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance the audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



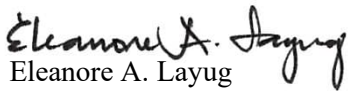
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and parent company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 23 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of East Coast Vulcan Corporation (formerly Vulcan Industrial & Mining Corporation). The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The partner in charge of the audit resulting in this independent auditor's report is Eleanore A. Layug.

SYCIP GORRES VELAYO & CO.



Eleanore A. Layug

Partner

CPA Certificate No. 0100794

Tax Identification No. 163-069-453

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

BIR Accreditation No. 08-001998-097-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10079951, January 6, 2024, Makati City

April 15, 2024



EAST COAST VULCAN CORPORATION AND SUBSIDIARY
(Formerly Vulcan Industrial & Mining Corporation)
STATEMENTS OF FINANCIAL POSITION

	Consolidated			Parent Company	
	December 31			December 31	
	2023	2022 (As restated)	January 1, 2022 (As restated)	2023	2022
ASSETS					
Current Assets					
Cash (Note 4)	₱8,147,811	₱6,132,949	₱58,198,192	₱163,377	₱163,313
Trade and other receivables (Note 5)	51,750,865	8,033,873	89,546,406	—	—
Due from related parties (Note 18)	948,319,068	574,819,396	285,317,357	—	—
Prepayments and other current assets (Note 6)	56,871,657	31,074,964	11,701,317	794,638	231,196
Total Current Assets	₱1,065,089,401	₱620,061,182	₱444,763,272	₱958,015	₱394,509
Noncurrent Assets					
Investment in a subsidiary (Note 1)	—	—	—	5,180,000,000	—
Property and equipment (Note 7)	161,998,913	36,209,773	21,451,891	19,103	51,850
Intangible asset (Note 8)	516,790	537,356	—	—	—
Mining rights (Note 9)	860,367,776	925,670,948	979,721,396	—	—
Deferred exploration costs (Note 10)	147,909,653	—	—	—	—
Deferred tax asset - net (Note 17)	4,578,238	4,369,484	7,716,582	—	—
Total Noncurrent Assets	1,175,371,370	966,787,561	1,008,889,869	5,180,019,103	51,850
TOTAL ASSETS	₱2,240,460,771	₱1,586,848,743	₱1,453,653,141	₱5,180,977,118	₱446,359
LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)					
Current Liabilities					
Trade and other payables (Note 11)	₱105,708,044	₱47,693,018	₱31,172,176	₱2,063,377	₱486,383
Due to related parties (Note 18)	242,020,027	40,304,127	35,570,018	92,700,455	8,671,755
Loans payable - current portion (Note 12)	412,719,643	169,951,227	2,276,589	—	—
Installment payable - current portion (Note 12)	46,354,114	6,022,753	164,554,173	—	—
Total Current Liabilities	806,801,828	263,971,125	233,572,956	94,763,832	9,158,138
Noncurrent Liabilities					
Loans payable - noncurrent portion (Note 12)	—	338,693	263,503,722	—	—
Installment payable - noncurrent portion (Note 12)	66,888,728	7,850,900	2,397,852	—	—
Retirement benefits liability (Note 13)	17,730,365	15,499,729	18,685,907	—	—
Total Noncurrent Liabilities	84,619,093	23,689,322	284,587,481	—	—
Total Liabilities	891,420,921	287,660,447	518,160,437	94,763,832	9,158,138
Equity (Capital Deficiency)					
Capital stock (Note 14)	6,172,497,120	992,497,120	992,497,120	6,172,497,120	992,497,120
Equity reserve (Note 14)	(5,258,607,201)	(67,497,120)	(67,497,120)	—	—
Remeasurement gain on retirement benefits liability (Note 13)	4,845,241	5,147,714	2,426,984	—	—
Retained earnings (Deficit)	430,304,690	369,040,582	8,065,720	(1,086,283,834)	(1,001,208,899)
Total Equity (Capital Deficiency)	1,349,039,850	1,299,188,296	935,492,704	5,086,213,286	(8,711,779)
TOTAL LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)	₱2,240,460,771	₱1,586,848,743	₱1,453,653,141	₱5,180,977,118	₱446,359

See accompanying Notes to Financial Statements.



EAST COAST VULCAN CORPORATION AND SUBSIDIARY
(Formerly Vulcan Industrial & Mining Corporation)

STATEMENTS OF INCOME

	Consolidated			Parent Company		
	Years Ended December 31					
	2023	2022	2021	2023	2022	2021
REVENUES (Note 15)	₱375,445,769	₱612,387,352	₱736,464,082	₱—	₱—	₱—
OPERATING EXPENSES (Note 16)	180,011,532	136,166,101	81,734,613	11,933,529	5,339,977	2,082,495
OPERATING INCOME (LOSS)	195,434,237	476,221,251	654,729,469	(11,933,529)	(5,339,977)	(2,082,495)
OTHER INCOME (CHARGES) - net						
Finance costs (Notes 12 and 13)	(23,173,124)	(17,765,392)	(24,475,420)	—	—	—
Unrealized foreign exchange loss - net	(582,588)	(1,978,209)	—	—	—	—
Finance income (Note 4)	24,054	6,997	7,362	64	106	217
	(23,731,658)	(19,736,604)	(24,468,058)	64	106	217
INCOME (LOSS) BEFORE INCOME TAX	171,702,579	456,484,647	630,261,411	(11,933,465)	(5,339,871)	(2,082,278)
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 17)						
Current	5,062,959	6,031,583	20,329,039	—	—	—
Final	32,341,972	87,038,014	108,431,928	—	—	—
Deferred	(107,930)	2,440,188	1,050,498	—	—	—
	37,297,001	95,509,785	129,811,465	—	—	—
NET INCOME (LOSS)	₱134,405,578	₱360,974,862	₱500,449,946	(₱11,933,465)	(₱5,339,871)	(₱2,082,278)
Basic/Diluted Earnings (Loss) Per Share (Note 19)	₱0.033	₱0.364	₱0.504	(₱0.002)	(₱0.005)	(₱0.002)

See accompanying Notes to Financial Statements.



EAST COAST VULCAN CORPORATION AND SUBSIDIARY
(Formerly Vulcan Industrial & Mining Corporation)
STATEMENTS OF COMPREHENSIVE INCOME

	Consolidated			Parent Company		
	Years Ended December 31					
	2023	2022	2021	2023	2022	2021
NET INCOME (LOSS)	₱134,405,578	₱360,974,862	₱500,449,846	(₱11,933,465)	(₱5,339,871)	(₱2,082,278)
OTHER COMPREHENSIVE INCOME (LOSS)						
Other comprehensive income (loss not to be reclassified to profit or loss in subsequent periods						
Remeasurement gain (loss) on retirement benefits liability - net of tax	(302,473)	2,720,730	3,131,656	—	—	—
TOTAL COMPREHENSIVE INCOME (LOSS)	₱134,103,105	₱363,695,592	₱503,581,502	(₱11,933,465)	(₱5,339,871)	(₱2,082,278)

See accompanying Notes to Financial Statements.



EAST COAST VULCAN CORPORATION AND SUBSIDIARY

(Formerly Vulcan Industrial & Mining Corporation)

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

	Consolidated							
	Capital Stock (Note 14)				Equity Reserve (Note 14)	Remeasurement Gain (Loss) on Retirement Benefits Liability	Retained Earnings (Deficit)	Total
	Issued	Subscribed	Subscription Receivable	Total				
Balances at December 31, 2020	P925,000,000	P—	P—	P925,000,000	P—	(P704,672)	(P492,384,226)	P431,911,102
Net income	—	—	—	—	—	—	500,449,946	500,449,946
Other comprehensive income	—	—	—	—	—	3,131,656	—	3,131,656
Total comprehensive income	—	—	—	—	—	3,131,656	500,449,946	P503,581,602
Balances at January 1, 2022, as previously reported	P925,000,000	P—	P—	P925,000,000	P—	P2,426,984	P8,065,720	P935,492,704
Effect of reverse acquisition	38,944,338	486,055,662	(457,502,880)	67,497,120	(67,497,120)	—	—	—
Balances at January 1, 2022, as restated	P963,944,338	P486,055,662	(P457,502,880)	P992,497,120	(P67,497,120)	P2,426,984	P8,065,720	P935,492,704
Net income	—	—	—	—	—	—	360,974,862	360,974,862
Other comprehensive income	—	—	—	—	—	2,720,730	—	2,720,730
Total comprehensive income	—	—	—	—	—	2,720,730	360,974,862	363,695,592
Balances at December 31, 2022	P963,944,338	P486,055,662	(P457,502,880)	P992,497,120	(P67,497,120)	P5,147,714	P369,040,582	P1,299,188,296
Net income	—	—	—	—	—	—	134,405,578	134,405,578
Other comprehensive loss	—	—	—	—	—	(302,473)	—	(302,473)
Total comprehensive income (loss)	—	—	—	—	—	(302,473)	134,405,578	134,103,105
Issuance of capital stock	5,180,000,000	—	—	5,180,000,000	—	—	—	5,180,000,000
Stock issuance costs (Note 14)	—	—	—	—	—	—	(73,141,470)	(73,141,470)
Effect of reverse acquisition	—	—	—	—	(5,191,110,081)	—	—	(5,191,110,081)
Balances at December 31, 2023	P6,143,944,338	P486,055,662	(P457,502,880)	P6,172,497,120	(P5,258,607,201)	P4,845,241	P430,304,690	P1,349,039,850

See accompanying Notes to Financial Statements.



EAST COAST VULCAN CORPORATION

(Formerly Vulcan Industrial & Mining Corporation)

STATEMENTS OF CHANGES IN EQUITY (CAPITAL DEFICIENCY)**FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021**

	Parent Company					
	Capital Stock (Note 14)			Total	Deficit	Total
	Issued	Subscribed	Subscription Receivable			
Balances at December 31, 2020	P963,944,338	P486,055,662	(P457,502,880)	P992,497,120	(P995,869,028)	(P3,371,908)
Net loss	—	—	—	—	(2,082,278)	(2,082,278)
Other comprehensive loss	—	—	—	—	—	—
Total comprehensive loss	—	—	—	—	(2,082,278)	(2,082,278)
Balances at December 31, 2021	P963,944,338	P486,055,662	(P457,502,880)	P992,497,120	(P995,869,028)	(P3,371,908)
Net loss	—	—	—	—	(5,339,871)	(5,339,871)
Other comprehensive loss	—	—	—	—	—	—
Total comprehensive loss	—	—	—	—	(5,339,871)	(5,339,871)
Balances at December 31, 2022	P963,944,338	P486,055,662	(P457,502,880)	P992,497,120	(P1,001,208,899)	(P8,711,779)
Net loss	—	—	—	—	(11,933,465)	(11,933,465)
Other comprehensive loss	—	—	—	—	—	—
Total comprehensive loss	—	—	—	—	(11,933,465)	(11,933,465)
Issuance of capital stock	5,180,000,000	—	—	5,180,000,000	—	5,180,000,000
Stock issuance costs	—	—	—	—	(73,141,470)	(73,141,470)
Balances at December 31, 2023	P6,143,944,338	P486,055,662	(P457,502,880)	P6,172,497,120	(P1,086,283,834)	P5,086,213,286

See accompanying Notes to Financial Statements.



EAST COAST VULCAN CORPORATION AND SUBSIDIARY
(Formerly Vulcan Industrial & Mining Corporation)
STATEMENTS OF CASH FLOWS

	Consolidated		
	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱171,702,579	₱456,484,647	₱630,261,411
Adjustments for:			
Depreciation and amortization (Notes 7, 8 and 9)	92,328,188	59,288,109	2,702,925
Finance cost (Note 12)	23,173,124	19,675,255	28,142,930
Current service cost on retirement benefits liability (Note 13)	697,409	949,266	1,525,666
Unrealized foreign exchange loss - net	582,588	1,978,209	—
Interest income (Note 4)	(24,054)	(6,997)	(7,362)
Operating income before working capital changes	288,459,834	538,368,489	662,625,570
Decrease (increase) in:			
Trade and other receivables	(44,299,580)	79,534,323	(64,898,947)
Due from related parties	(373,499,672)	(289,502,039)	(319,430,924)
Other current assets	(25,496,259)	(19,373,647)	(9,447,796)
Increase (decrease) in:			
Trade and other payables	57,837,577	16,520,842	21,575,252
Due to related parties	117,134,362	4,734,110	10,120,747
Other noncurrent liabilities	—	—	(592,359)
Net cash flows generated from operations		330,282,078	299,951,543
Income taxes paid	(37,404,931)	(93,069,597)	(128,760,967)
Interest paid	(22,043,194)	(18,729,748)	(28,169,264)
Benefits paid (Note 13)	—	(1,453,311)	(265,902)
Interest received	24,054	6,997	7,362
Net cash flows from (used in) operating activities	(39,287,809)	217,036,419	142,762,772
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to deferred exploration costs (Note 10)	(147,909,653)	—	—
Additions to property and equipment (Note 7)	(7,599,036)	(556,560)	(13,345,963)
Additions to intangible asset (Note 8)	(128,570)	(651,339)	—
Cash of ECVI before reverse acquisition (Note 14)	163,339	—	—
Net cash flows used in investing activities	(155,473,920)	(1,207,899)	(13,345,963)
CASH FLOWS FROM FINANCING ACTIVITIES			
Availment of loans payable (Note 12)	300,000,000	—	164,779,600
Payments of loans payable (Note 12)	(57,570,278)	(267,893,763)	(293,503,794)
Payments of installment payable	(45,653,131)	—	—
Net cash flows from (used in) financing activities	196,776,591	(267,893,763)	(128,724,194)
NET INCREASE (DECREASE) IN CASH	2,014,862	(52,065,243)	692,615
CASH AT BEGINNING OF YEAR	6,132,949	58,198,192	57,505,577
CASH AT END OF YEAR (Note 4)	₱8,147,811	₱6,132,949	₱58,198,192

See accompanying Notes to Financial Statements.



EAST COAST VULCAN CORPORATION
(Formerly Vulcan Industrial & Mining Corporation)
STATEMENTS OF CASH FLOWS

	Parent Company		
	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	(₱11,933,465)	(₱5,339,871)	(₱2,082,278)
Adjustments for:			
Depreciation (Note 7)	32,747	13,645	–
Interest income (Note 4)	(64)	(106)	(217)
Operating loss before working capital changes	(11,900,782)	(5,326,332)	(2,082,495)
Increase in prepayments and other current assets	(563,442)	(231,196)	–
Increase (decrease) in:			
Trade and other payables	1,576,994	311,383	(9,800)
Due to related parties	10,887,230	5,335,800	2,100,000
Net cash flows from operations	–	89,655	7,705
Interest received	64	106	217
Net cash flows from operating activities	64	89,761	7,922
CASH FLOW FROM AN INVESTING ACTIVITY			
Additions to property and equipment (Note 7)	–	(65,495)	–
NET INCREASE IN CASH	64	24,266	7,922
CASH AT BEGINNING OF YEAR	163,313	139,047	131,125
CASH AT END OF YEAR (Note 4)	₱163,377	₱163,313	₱139,047

See accompanying Notes to Financial Statements.



EAST COAST VULCAN CORPORATION AND SUBSIDIARY
(Formerly Vulcan Industrial & Mining Corporation)
NOTES TO FINANCIAL STATEMENTS

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.

Amendment of Articles of Incorporation

In 2021, the BOD and Stockholders have approved the following amendment in the Parent Company's Articles of Incorporation

- 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.

In 2022, the Parent Company submitted its application for the amendment of Articles of Incorporation to the Philippine SEC. On May 29, 2023, the SEC approved the Parent Company's application for the amendment of its Articles of Incorporation.

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).

In 2023, the BOD and Stockholders have approved the following amendment in the Parent Company's Articles of Incorporation

- Change in corporate name to East Coast Vulcan Mining Corporation;
- Change in principal office address to Unit 1502, Pacific Star Building, Sen. Gil J. Puyat Ave., Makati City, Metro Manila 1209; and
- The amount of capital stock of the Corporation is Twelve Billion Pesos (₱12,000,000,000.00), Philippine currency, and the said capital is divided into One Hundred Twenty Billion (120,000,000,000) common shares at the par value of Ten Centavos (₱0.10) per share

In 2023, the Parent Company submitted its application for the amendment of Articles of Incorporation to the Philippine SEC. As of April 15, 2024, the SEC has not yet approved the application.

The Company's registered office address is at 4th Floor, Low Rise, Pacific Star Building, 1226 Sen. Gil J. Puyat Ave., Makati City, Metro Manila.

The consolidated and parent company financial statements as of December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 were approved and authorized for issue by the BOD on April 15, 2024.

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

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.

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 ECVC and ECMRCI

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

Management judgment was required to determine that ECVC 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, ECVC 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 become 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 December 31, 2023 and 2022, mining rights amounted to ₱860,367,776 and ₱925,670,948, respectively. No allowance for impairment loss on mining rights were recognized as of December 31, 2023 and 2022, (see Note 9).



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 December 31, 2023 and 2022. Deferred exploration costs amounted to ₱147,909,653 and nil as at December 31, 2023 and 2022, respectively (see Note 10).

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 (see Note 17).

The Group recognized deferred tax assets amounting to ₱6,139,319 and ₱6,085,389 million as of December 31, 2023 and 2022, respectively (see Note 17).

4. Cash

	Consolidated		Parent Company	
	2023	2022	2023	2022
Cash on hand	₱68,374	₱5,000	₱100,000	₱100,000
Cash in bank	8,079,437	6,127,949	63,377	63,313
	₱8,147,811	₱6,132,949	₱163,377	₱163,313

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

	Consolidated			Parent Company		
	2023	2022	2021	2023	2022	2021
Interest income	₱24,054	₱6,997	₱7,362	₱64	₱106	₱217



5. Trade and Other Receivables

	Consolidated		Parent Company	
	2023	2022	2023	2022
Trade receivables				
Related parties (Note 18)	₱34,051,658	₱—	₱—	₱—
Third parties	13,145,831	5,476,968	—	—
Advances to employees	4,553,376	2,556,905	—	—
	₱51,750,865	₱8,033,873	₱—	₱—

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.

The Group uses a provision matrix to calculate for ECL on trade receivables. The provision rates are based on days and past due and customer loss patterns. Aside from historical credit loss experience, the provision matrix incorporates forward looking information which may lead to increased number of defaults such as gross domestic product and inflation rate. No allowance for ECL was recognized as of December 31, 2023 and 2022, respectively.

6. Prepayments and Other Current Assets

	Consolidated		Parent Company	
	2023	2022	2023	2022
Creditable withholding taxes	₱49,208,272	₱31,034,964	₱—	₱—
Prepayments	6,769,684	40,000	—	20,000
Input VAT	893,701	—	794,638	23,100
Advances to contractor	—	—	—	188,096
	₱56,871,657	₱31,074,964	₱794,638	₱231,196

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

Consolidated								
	Land	Building and other structures	Furniture and fixtures	Office equipment	Transportation equipment	Other Equipment	Mining & Heavy Equipment	Total
Cost:								
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
Accumulated depreciation								
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

	Land	Building and other structures	Furniture and fixtures	Office equipment	Transportation equipment	Other Equipment	Mining & Heavy Equipment	Total
Cost:								
Beginning balances	₱5,300,000	₱9,200,000	₱2,507,987	₱3,816,822	₱54,541,034	₱539,657	₱51,394,085	₱127,299,585
Additions	–	–	–	349,160	19,325,000	207,400	–	19,881,560
Ending balances	5,300,000	9,200,000	2,507,987	4,165,982	73,866,034	747,057	51,394,085	147,181,145
Accumulated depreciation								
Beginning balances	–	9,200,000	2,507,987	2,729,622	39,524,715	491,285	51,394,085	100,344,956
Depreciation (Note 16)	–	–	–	321,065	4,796,720	5,893	–	5,123,678
Ending balances	–	9,200,000	2,507,987	3,050,687	44,321,435	497,178	51,394,085	110,971,372
Net book values	₱5,300,000	₱–	₱–	₱1,115,295	₱29,544,599	₱249,879	₱–	₱36,209,773



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 (Note 12).

	Parent Company	
	2023	2022
Cost:		
Beginning balance	₱65,495	₱—
Additions	—	65,495
Ending balance	65,495	65,495
Accumulated depreciation		
Beginning balances	13,645	—
Depreciation (Note 16)	32,747	13,645
Ending balance	46,392	13,645
Net book value	₱19,103	₱51,850

The Group does not have property and equipment that are idle as at December 31, 2023 and 2022.

8. Intangible Asset

	Consolidated		Parent Company	
	2023	2022	2023	2022
Cost:				
Beginning balance	₱651,339	₱—	₱—	₱—
Addition	128,570	651,339	—	—
Ending balance	779,909	651,339	—	—
Accumulated amortization:				
Beginning balance	113,983	—	—	—
Amortization (Note 16)	149,136	113,983	—	—
Ending balance	263,119	113,983	—	—
Net book value	₱516,790	₱537,356	₱—	₱—

Intangible asset pertains to computer software used in Group's operations.

9. Mining Rights

Mining rights represent the cost transferred from deferred exploration costs as there has been established mineral deposit that is commercially mineable.

	Consolidated		Parent Company	
	2023	2022	2023	2022
Cost:				
Beginning and ending balance	₱979,721,396	₱979,721,396	₱—	₱—
Accumulated amortization:				
Beginning balance	54,050,448	—	—	—
Amortization (Note 16)	65,303,172	54,050,448	—	—
Ending balance	119,353,620	54,050,448	—	—
Net book value	₱860,367,776	₱925,670,948	₱—	₱—

Mining rights pertain to the right of the Group as a holder of MPSA-078-97-XIII-SMR and MPSA-233-2007-XIII-SMR.

10. Deferred Exploration Costs

	Consolidated		Parent Company	
	2023	2022	2023	2022
Balances at beginning of year	P—	P—	P—	P—
Exploration costs incurred	147,909,653	—	—	—
	P147,909,653	P—	P—	P—

Deferred exploration costs pertain to the exploration expenditures on the 88 Kiamba project. On March 23, 2023, the Group entered into a memorandum of agreement with 88 Kiamba Mining & Development Corporation to undertake the exploration, development, mining and utilization of the mineral property covered by Exploration Permit No. 014-2014-XII located in Maitum, Kiamba, Sarangani and Exploration Permit No. 129-XII located in T'boli, South Cotabato, Mindano.

There were no impairment losses recognized on the Group's deferred exploration costs in 2023 and 2022. No provision for impairment loss was recognized as of December 31, 2023 and 2022.

11. Trade and Other Payables

	Consolidated		Parent Company	
	2023	2022	2023	2022
Trade payables	P86,343,554	P37,151,181	P—	P—
Output VAT	9,574,743	1,765,949	—	—
Statutory payables	7,736,340	8,711,723	10,000	4,000
Accrued expenses and others	2,053,377	64,165	2,053,377	482,383
	P105,708,044	P47,693,018	P2,063,377	P486,383

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.



12. Loans Payable and Installment Payables

a. Loans payable

The Group entered into separate agreements with each of the following:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Security Bank Corporation	₱412,380,950	₱160,000,000	₱–	₱–
Loan to shareholder	338,693	1,291,519	–	–
Cagdianao Mining Corporation (CMC)	–	8,998,401	–	–
	412,719,643	170,289,920	–	–
Less: current portion	412,719,643	338,693	–	–
Noncurrent portion	₱–	₱169,951,227	₱–	₱–

	Consolidated			
	2023		2022	
	Availment	Payment	Availment	Payment
Security Bank Corporation	₱300,000,000	₱47,619,050	₱–	₱–
Loan to shareholder	–	952,826	–	864,802
CMC	–	8,998,402	–	256,903,172
	₱300,000,000	₱57,570,278	₱–	₱257,767,974

Loan with SBC

Facility Loan

The Group and SBC executed a Loan Agreement wherein SBC granted the Group a loan facility amounting to ₱500 million with a prevailing SBC average lending rate of 7.75% in 2023, and 6.875% in 2023 and 2022. Total interest expense incurred amounted to ₱13,660,411, ₱9,060,000 and ₱9,060,000 in 2023, 2022 and 2021, respectively.

Loan to shareholder

The Group availed a loan from its shareholder for a transportation equipment amounting to ₱2.69 million with an interest rate of 9.73% per annum. Total interest expense incurred amounted to ₱83,938, ₱171,962, and ₱159,497 in 2023, 2022 and 2021, respectively.

Loan with CMC

The Group and CMC executed a Loan Agreement wherein CMC granted the Group a loan facility amounting to ₱1,000 million with an interest rate of 3% per annum. The loan was issued in two tranches of ₱150 million in October 2015 and ₱850.0 million in December 2015.

As payment for the loan, CMC shall deduct 50% of the commission and royalties, net of withholding tax and interest, each time a commission, royalty or additional royalty is paid by CMC to the Group. The loan is secured by a Pledge Agreement between the CMC and ECMRCI covering the latter's rights, interests, receivables, obligations, and liabilities over the Mineral Production Sharing Agreements (MPSAs) on the Cagdianao property owned by ECMRCI.

On March 28, 2019, the ECMRCI and CMC amended the Loan Agreement executed in 2015. The Company obtained an additional ₱280 million loan from CMC. The outstanding balance due to CMC under the original and amended Loan Agreements shall be paid by deducting 60% of the commission and royalties, net of withholding tax and interest payments, each time a commission, royalty or additional royalty is paid by CMC to ECMRCI.



Total interest expense incurred amounted to ₱91,322, ₱5,240,844 and ₱13,548,362 in 2023, 2022 and 2021, respectively.

b. Installment Payable

Equipment Financing

Starting 2020, the Group acquired various units of transportation equipment through a three-year financing agreement with SBC terms of (a) down payment of an average 30% and (b) the remaining balance payable in installments and will mature in accordance with terms and conditions of the agreements. The related nonfinancial assets were recognized since the lease term is for the major part of the economic life of the transportation equipment (see Note 7).

The future minimum lease payments for the obligations under finance lease on transportation equipment are as follows:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Within one (1) year	₱59,925,655	₱7,253,544	₱-	₱-
After one (1) year but not more than four (4) years	73,409,784	8,559,441	-	-
Total minimum lease payments	133,335,439	15,812,985	-	-
Less: interest charges	20,092,597	1,939,332	-	-
Present value of minimum lease payments	113,242,842	13,873,653	-	-
Less current portion	46,354,114	6,022,753	-	-
Noncurrent portion	₱66,888,728	₱7,850,900	₱-	₱-

Total interest expense incurred amounted to ₱8,207,522 and ₱739,298, nil in 2023, 2022, and 2021, respectively.

13. Retirement Benefits Liability

The Group has an unfunded, noncontributory defined benefit plan covering all regular employees. Benefits are based on the employee's years of service and final plan salary. Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

Retirement cost recognized in the statements of income follows:

	Consolidated			Parent Company		
	2023	2022	2021	2023	2022	2021
Interest cost	₱1,129,930	₱945,507	₱831,412	₱-	₱-	₱-
Current service cost	697,409	949,266	1,525,666	-	-	-
	₱1,827,339	₱1,894,773	₱2,357,078	₱-	₱-	₱-



Changes in the present value of the defined benefit obligation are as follows:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Present value of defined benefit obligation	₱15,499,729	₱18,685,907	₱—	₱—
Current service cost	697,409	949,266	—	—
Interest cost	1,129,930	945,507	—	—
Benefits paid	—	(1,453,311)	—	—
Actuarial losses (gains) due to:			—	—
Demographic adjustments	151,653	556,760	—	—
Experience adjustments	(1,235,463)	(1,308,178)	—	—
Changes in financial assumptions	1,487,107	(2,876,222)	—	—
	₱17,730,365	₱15,499,729	₱—	₱—

Remeasurement gains on defined benefit obligation recognized under OCI in the statements of comprehensive income are as follows:

	Consolidated			Parent Company		
	2023	2022	2021	2023	2022	2021
Actuarial losses (gains) due to:						
Experience adjustments	(₱1,235,463)	(₱1,308,178)	(₱2,657,183)	₱—	₱—	₱—
Changes in financial assumptions	1,487,107	(2,876,222)	(1,585,470)	—	—	—
Demographic adjustments	151,653	556,760	—	—	—	—
	₱403,297	(₱3,627,640)	(₱4,242,653)	₱—	₱—	₱—

Cumulative remeasurement losses recognized in other comprehensive income as of December 31, 2023 and 2022 are as follows:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Balance at beginning of year	₱5,147,714	₱2,426,984	₱—	₱—
Actuarial gains (loss)	(403,297)	3,627,640	—	—
Income tax effect	100,824	(906,910)	—	—
	₱4,845,241	₱5,147,714	₱—	₱—

The costs of defined benefit pension plan as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension for defined benefit plans are as follows:

	2023	2022
Discount rate	6.13%	7.29%
Future salary increase rate	11.00%	11.00%



The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined retirement benefits obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	Increase (decrease)	2023	2022
Discount rate	+100 basis points (bps)	(P1,300,168)	(P954,950)
	-100 bps	1,564,456	1,144,091
Future salary increase	+100 bps	P1,474,968	P1,091,629
	-100 bps	(1,258,329)	(933,407)

Shown below is the maturity analysis of the Group's undiscounted benefit payments as at December 31, 2023 and 2022:

	2023	2022
One year	P9,459,042	P9,288,555
More than one (1) year to five (5) years	990,872	1,146,709
More than five (5) years to ten (10) years	1,413,480	1,386,714

The average duration of the defined benefit obligation is 8.1 years and 6.8 years as at December 31, 2023 and 2022, respectively.

14. Equity

Capital stock

Authorized:	2023	2022
Common shares - P1 par value in 2023 and 2022		
12,000,0000 shares in 2023 and 4,000,000,000 shares in 2022	12,000,000,000	4,000,000,000
Issued:		
Common shares - P1 par value in 2023 and 2022		
P6,143,944,338 shares in 2023 and P963,944,338 shares in 2022	P6,143,944,338	P963,944,338
Subscribed:		
Common shares - P1 par value in 2023 and 2022		
486,055,662 shares in 2023 and 2022 (net of subscriptions receivable of P457,502,880)	28,552,782	28,552,782
	P6,172,497,120	P992,497,120

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 December 31, 2023, 2022 and 2021:

	2023	2022	2021
Common shares	1,908	1,901	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	₱1.00
2023	8,000,000,000	5,180,000,000	1.00
Total	12,000,000,000	6,172,497,120	

Equity reserves

The amount of equity reserve consists of the net difference between the consideration transferred by ECVC and the legal capital of ECMRCI that is eliminated to reflect the legal capital of ECVC.

	2023	2022
Effect of:		
Adjustment of the legal capital of ECVC	(₱992,497,120)	(₱992,497,120)
Elimination of ECMRCI Capital	925,000,000	925,000,000
Issuance of additional shares	(5,180,000,000)	—
Stock issuance costs	73,141,470	—
Identifiable net liabilities of ECVC as at acquisition date	(84,251,551)	—
	(₱5,258,607,201)	(₱67,497,120)

The following are the fair values of the ECVC as at the date of acquisition, May 31, 2023:

Assets	
Cash	₱163,339
Prepayments and other current assets	300,434
Property and equipment	43,663
	507,436
Liabilities	
Trade and other payables	177,448
Due to related parties	84,581,539
	84,758,987
Total identifiable net liabilities	(₱84,251,551)



Net cash inflow on acquisition is as follows:

Cash consideration	P—
Less cash acquired with the subsidiary ^(a)	163,339
Net cash inflow	P163,339

^(a)Cash acquired with the subsidiary is included in investing activities in consolidated statement of cash flows.

Capital Management

The primary objective of the Group's capital management is to ensure that the Group has sufficient funds in order to support its business, pay existing obligations and maximize shareholder value.

The Group considers the following as its core economic capital:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Capital stock	P6,172,497,120	P992,497,120	P6,172,497,120	P992,497,120
Retained earnings (Deficit)	430,304,690	369,040,582	(1,086,283,834)	(1,001,208,899)
	P6,602,801,810	P1,361,537,702	P5,086,213,286	(P8,711,779)

The Group manages its capital structure and adjusts it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may obtain additional advances from related parties and stockholders or look for strategic and financial investors to invest in the Group.

No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2023 and 2022.

15. Revenues

	Consolidated			Parent Company		
	2023	2022	2021	2023	2022	2021
Royalty income	P161,685,814	P435,183,065	P542,152,275	P—	P—	P—
Commission and marketing income	125,482,671	168,204,287	178,470,538	—	—	—
Others	88,277,284	9,000,000	15,841,269	—	—	—
	P375,445,769	P612,387,352	P736,464,082	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 (Note 22).

Other income pertains to equipment rental and mining lease.



16. Operating Expenses

	Consolidated			Parent Company		
	2023	2022	2021	2023	2022	2021
Amortization of mining rights (Note 9)	₱65,303,172	₱54,050,448	₱—	₱—	₱—	₱—
Depreciation and amortization (Notes 7 and 8)	27,025,016	5,237,661	2,702,925	32,748	13,645	—
Management fee	18,772,288	30,570,472	—	—	—	—
Salaries and wages	13,555,577	14,328,007	17,451,645	—	—	—
Professional and consultant fees	12,221,431	6,262,324	4,347,172	4,691,825	3,307,269	82,900
Transportation and travel	7,862,851	1,864,857	5,720,168	51,724	21,845	—
Employee benefits	5,862,047	4,311,234	4,664,892	—	—	—
Taxes and licenses	5,292,796	825,163	274,182	291,808	511,358	280,379
Repairs and maintenance	4,184,808	1,776,409	2,718,106	—	—	—
Outside services	3,959,840	—	—	3,959,840	245,240	309,000
Representation	3,798,340	3,445,401	4,903,133	839,880	466,409	—
Gasoline, Oil & Fuels	1,531,498	1,123,136	1,440,846	—	—	—
Communication, Light and water	1,430,240	1,055,223	1,066,155	—	—	—
Service Fees	835,900	145,000	1,035,442	—	—	—
Bank charges	806,688	1,909,863	3,667,510	—	—	—
Office Supplies	218,070	123,217	270,488	—	—	—
Donations	205,429	412,078	1,063,410	—	—	—
Utilities	52,346	46,823	181,377	70,081	—	—
Director's fees	—	—	—	665,000	480,000	1,350,000
Agent & commission fees	—	5,909,801	28,102,360	—	—	—
Rental	—	—	—	779,214	175,340	—
Provision for ECL (Note 5)	—	—	90,883	—	—	—
Miscellaneous	7,093,195	2,768,984	2,033,919	551,409	118,871	60,216
	₱180,011,532	₱136,166,101	₱81,734,613	₱11,933,529	₱5,339,977	₱2,082,495

17. Income Taxes

- The provision for current income tax represents RCIT in 2023, 2022 and 2021 for the Group and the Parent Company has no provision for current income tax in 2023, 2022 and 2021 due to its gross loss and net taxable loss position.
- The reconciliation of income before income tax computed at statutory income tax rate to the provision for income tax as shown in the statements comprehensive of income is summarized as follows:

	Consolidated			Parent Company		
	2023	2022	2021	2023	2022	2021
At statutory income tax rate 25% for the Group and 20% for the Parent Company	₱42,925,645	₱114,121,162	₱157,565,353	(₱2,386,693)	(₱1,067,974)	(₱162,583)
Additions to (reductions in) income tax resulting from:						
Royalty income already subjected to final tax	(40,421,454)	(108,795,766)	(135,538,069)	—	—	—
Final tax paid on royalty income	32,341,972	87,038,014	108,431,928	—	—	—
Changes in unrecognized deferred tax asset	2,383,800	—	—	17,015,000	1,067,995	162,608

(Forward)



	Consolidated			Parent Company		
	2023	2022	2021	2023	2022	2021
Stock issuance costs	P-	P-	P-	(P14,628,294)	P-	P-
Interest income already subjected to final tax	(6,013)	(1,750)	(1,841)	(13)	(21)	(25)
Nondeductible expenses	73,051	103,019	265,854	-	-	-
Reversal of deferred tax asset	-	3,045,106	-	-	-	-
Changes in tax rate	-	-	(911,760)	-	-	-
	P37,297,001	P95,509,785	P129,811,465	P-	P-	P-

c. The components of the deferred tax assets are as follows:

	Consolidated		Parent Company	
	2023	2022	2023	2022
<i>Recognized directly in profit or loss</i>				
Retirement benefits liability	P6,047,671	P5,590,837	P-	P-
Unrealized foreign exchange loss	145,648	494,552	-	-
<i>Recognized directly in other comprehensive income</i>				
Retirement benefits liability	(1,615,081)	(1,715,905)	-	-
	P4,578,238	P4,369,484	P-	P-

On September 30, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of Bayanihan to Recover as One Act” which states that the NOLCO incurred for taxable years 2021 and 2020 can be carried over and claimed as deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As of December 31, 2023, the Parent Company has incurred NOLCO in taxable year 2022 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

Year Incurred	Availment Period	Amount	Expired	Applied	NOLCO Unapplied
2022	2023-2025	P5,339,977	P-	P-	P5,339,977
2023	2024-2026	85,074,999	-	-	85,074,999
		P90,414,976	P-	P-	P90,414,976

As of December 31, 2023, the Parent Company has incurred NOLCO in taxable years 2021 and 2020 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover as One Act, as follows:

Year Incurred	Availment Period	Amount	Expired	Applied	NOLCO Unapplied
2020	2021-2025	P813,040	P-	P-	P813,040
2021	2022-2026	2,082,495	-	-	2,082,495
		P2,895,535	P-	P-	P2,895,535

The Parent Company did not recognize deferred income tax asset on the carryforward benefits of unused NOLCO, since management assessed that it is not probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized in the future.



18. 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.

	Consolidated				Terms	Conditions
	2023		2022			
	Volume	Outstanding Balance	Volume	Outstanding Balance		
Due from related parties						
<i>Affiliates</i>						
Libjo Mining Corporation (LMC)	₱9,173,910	₱9,173,910	₱—	₱—	Noninterest-bearing; Payable in cash; Due and demandable	Secured
Hua Sheng Metals and Minerals Holdings, Inc. (HSMMI)	200,204,667	545,715,152	90,779,497	353,496,927	Noninterest-bearing; Payable in cash; Due and demandable	Secured
East Coast Vulcan Corporation	—	—	1,143,375	1,143,375	Noninterest-bearing; Payable in cash; Due and demandable	Unsecured
<i>Stockholder</i>						
Individual stockholder	113,145,721	393,430,006	220,179,094	220,179,094	Noninterest-bearing; Payable in cash; Due and demandable	Unsecured
Total		₱948,319,068		₱574,819,396		

Due to related parties

<i>Affiliates</i>						
LMC	₱36,833,475	₱40,390,415	₱431,552	₱431,552	Noninterest-bearing; Payable in cash; Due and demandable	Unsecured
HSMMI	12,585,127	26,599,367	14,014,239	14,014,239	Noninterest-bearing; Payable in cash; Due and demandable	Unsecured
Anglo Philippine Holdings Corporation (APHC)	—	3,178,883	—	—	Noninterest-bearing; Payable in cash; Due and demandable	Unsecured

(Forward)



	Consolidated				Terms	Conditions
	2023		2022			
	Volume	Outstanding Balance	Volume	Outstanding Balance		
<i>Stockholder</i>						
Individual stockholder	₱77,019,617	₱171,851,360	₱25,858,336	₱25,858,336	Noninterest-bearing; Payable in cash; Due and demandable	Unsecured
Total		₱242,020,027		₱40,304,127		

	Consolidated				Terms	Conditions
	2023		2022			
	Volume	Outstanding Balance	Volume	Outstanding Balance		
Trade Receivables						
Affiliate						
LMC	₱52,631,900	₱34,051,658	₱—	₱—	Noninterest-bearing; Payable in cash; Due and demandable	Unsecured
Total		₱34,051,658		₱—		

Consolidated						
2023			2022			
	Volume	Outstanding Balance	Volume	Outstanding Balance	Terms	Conditions
Royalty income LMC	₱35,625,992	₱—	₱100,613,405	₱—	Noninterest-bearing; Payable in cash; Due and demandable	Unsecured
Commission and marketing income LMC	₱23,355,968	₱—	₱33,398,514	₱—	Noninterest-bearing; Payable in cash; Due and demandable	Unsecured
Equipment Rental Income LMC	₱52,631,900	₱34,051,658	₱—	₱—	Noninterest-bearing; Payable in cash; Due and demandable	Unsecured
Management Fee HSMMI	₱18,772,288	₱—	₱30,570,472	₱—	Noninterest-bearing; Payable in cash; Due and demandable	Unsecured



	Parent Company				Terms	Conditions
	2023		2022			
	Volume	Outstanding Balance	Volume	Outstanding Balance		
Due to related parties						
Affiliates						
NBS	₱—	₱—	₱—	₱152,611	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	75,148,747	76,292,122	1,143,375	1,143,375	Noninterest-bearing; Payable in cash; Due and demandable	Secured
LMC	10,640,988	12,157,953	1,516,965	1,516,965	Noninterest-bearing; Payable in cash; Due and demandable	Secured
Stockholder						
Individual stockholder	1,071,497	1,071,497	2,679,922	2,679,921	Noninterest-bearing; Payable in cash; Due and demandable	Secured
Total		₱92,700,455		₱8,671,755		

The Group has transactions with related parties, the most significant of which are as follows:

- On July 9, 2021, the BOD of the ECMRCI approved the assignment, transfer, and release of receivables and due from LMC to a shareholder in payment for the advances made in the acquisition, licensures and development of several mining claims/mineral properties amounting to ₱450.20 million.
- Starting January 1, 2022, the Group has agreed to engage the services of Hua Sheng Metals & Minerals Holding Co. for a qualified management consultation services. In consideration of the contracted services, a management fee in the amount equivalent to five (5) percent of gross revenue before income tax is being collected.

Compensation of Key Management Personnel

The short-term employee benefits of key management personnel as at December 31, 2023 and 2022 amounted to ₱9,628,637 and ₱9,942,797, respectively.

19. Basic/Diluted Earnings (Losses) Per Share

	Consolidated			Parent Company		
	2023	2022	2021	2023	2022	2021
Net income (loss)						
for the year	₱134,405,578	₱360,974,862	₱500,449,846	(₱11,933,465)	(₱5,339,871)	(₱2,082,278)
Divided by weighted average number of common shares	4,014,163,787	992,497,120	992,497,120	6,172,497,120	992,497,120	992,497,120
Basic/diluted earnings (losses) per share	₱0.033	₱0.364	₱0.504	(₱0.002)	(₱0.005)	(₱0.002)



As of December 31, 2023, 2022 and 2021, the Group and the Parent Company has no potential dilutive shares. Therefore, the basic and diluted losses per share are the same as of those dates.

20. 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.

21. 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.

The table below shows the maximum exposure to credit risk of the Group's financial assets as at December 31, 2023 and 2022:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Cash in banks	₱8,079,437	₱6,127,949	₱63,377	₱63,313
Trade and other receivables	47,197,489	5,476,968	—	—
Due from related parties	948,319,068	574,819,396	—	—
	₱1,003,595,994	₱586,424,313	₱63,377	₱63,313



For cash in banks, the Group has established probability of default (PD) rates based on available credit ratings published by third-party credit rating agencies. The credit ratings already consider forward-looking information. When a counterparty does not have published credit ratings, the Group benchmarks the credit ratings of comparable companies, adjusted to account for the difference in size and other relevant metrics.

While cash with banks are also subject to the impairment requirements of PFRS 9, the identified impairment loss was immaterial.

Trade and other receivables

The Group applies the PFRS 9 simplified approach in measuring ECL which uses a 12-month expected loss allowance for all trade receivables. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Below is the information about the credit risk exposure on the Group's trade and other receivables using a provision matrix:

December 31, 2023

Consolidated

	Current	Days past due				Total
		< 30 days	30-60 days	61-90 days	>91 days	
ECL rate	0%	0%	0%	0%	0%	
Estimated total gross carrying amount at default	P=	P47,197,489	P=	P=	P=	P47,197,489
ECL	P=	P=	P=	P=	P=	P=

December 31, 2022

	Current	Days past due				Total
		< 30 days	30-60 days	61-90 days	>91 days	
ECL rate	0%	0%	0%	0%	0%	
Estimated total gross carrying amount at default	P=	P5,476,968	P=	P=	P=	P5,476,968
ECL	P=	P=	P=	P=	P=	P=

Due from related parties

ECL on due from related parties are assessed based on either 12-month or lifetime ECL. The Group considers reasonable and supportable information such as historical experience and forward-looking information available at each reporting period to determine whether there has been a significant increase in credit risk since initial recognition. The Group determines the realizable amount of due from related parties based on cashflow forecast. The allowance for ECL on due from related parties is nil since the Group's expected cash flows to be received exceeds the contractual cash flows due. Some of the due from related parties are also secured with financial guarantee contract.

Liquidity Risk

Liquidity risk is the risk that the Group may be unable to meet its payment obligations when they fall due under normal and stress circumstances. To manage this risk, the Group maintains a balance between continuity of funding and flexibility of cash flows through cash planning.



As part of its overall liquidity management, the Group maintains sufficient levels of cash to meet working capital requirements. The Group avails of funds from related parties when needed.

The table below summarizes the maturity profile of the Group's financial liabilities and financial assets based on contractual undiscounted payments.

As at December 31, 2023

	Consolidated			Total
	On demand	Less than 1 year	1 to 5 years	
Financial liabilities:				
Trade and other payables*	P–	P86,343,554	P–	P86,343,554
Due to related parties	242,020,027	–	–	242,020,027
Loans and installment payable	–	459,073,757	66,888,728	525,962,485
	P242,020,027	P545,417,311	P66,888,728	P854,478,677

*Excluding statutory payables amounting to P17,212,317

	Consolidated			Total
	On demand	Less than 1 year	1 to 5 years	
Financial assets:				
Cash				
Cash on hand	P68,374	P–	P–	P68,374
Cash in bank	8,079,437	–	–	8,079,437
Trade receivables	47,197,489	–	–	47,197,489
Due from related parties	948,319,068	–	–	948,319,068
	P1,003,664,368	P–	P–	P1,003,664,368

	Parent Company			Total
	On demand	Less than 1 year	1 to 5 years	
Financial liabilities:				
Trade and other payables*	P–	P2,053,377	P–	P2,053,377
Due to related parties	92,700,455	–	–	92,700,455
	P92,853,066	P2,053,377	P–	P94,753,832

* Excluding statutory payables amounting to P10,000

	Parent Company			Total
	On demand	Less than 1 year	1 to 5 years	
Financial assets:				
Cash:				
Cash on hand	P100,000	P–	P–	P100,000
Cash in bank	63,377	–	–	63,377
	P163,377	P–	P–	P163,377

As at December 31, 2022

	Consolidated			Total
	On demand	Less than 1 year	1 to 5 years	
Financial liabilities:				
Trade and other payables*	P–	P37,215,346	P–	P37,215,346
Due to related parties	40,304,127	–	–	40,304,127
Loans and installment payable	–	175,973,981	8,189,592	184,163,573
	P40,304,127	P213,189,327	P8,189,592	P261,683,046

*Excluding statutory payables amounting to P10,477,672



Consolidated				
	On demand	Less than 1 year	1 to 5 years	Total
<i>Financial assets:</i>				
Cash				
Cash on hand	P5,000	P–	P–	P5,000
Cash in bank	6,127,949	–	–	6,127,949
Trade receivables	5,476,968	–	–	5,476,968
Due from related parties	574,819,396	–	–	574,819,396
	P586,429,313	P–	P–	P586,429,313

Parent Company				
	On demand	Less than 1 year	1 to 5 years	Total
<i>Financial liabilities:</i>				
Trade and other payables*	P–	P482,383	P–	P482,383
Due to related parties	8,671,755	–	–	8,671,755
	P8,671,755	P482,383	P–	P9,154,138

* Excluding statutory payables amounting to P4,000

Parent Company				
	On demand	Less than 1 year	1 to 5 years	Total
<i>Financial assets:</i>				
Cash:				
Cash on hand	P100,000	P–	P–	P100,000
Cash in bank	63,313	–	–	63,313
	P163,313	P–	P–	P163,313

Fair Values of Financial Instruments

The Company's financial asset and financial liabilities approximate their fair values due to the short-term nature and/or maturity as of December 31, 2023 and 2022.

Fair Value Hierarchy

The table below presents the carrying values and fair values of the Group's financial assets and financial liabilities, by category and by class, as at December 31, 2023 and 2022:

Consolidated				
2023				
	Carrying Value	Fair Value		
		Quoted Prices in Active Markets (Level 1)	Significant Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash on hand and in banks	₱8,147,811	₱–	₱–	₱8,147,811
Trade receivables	47,197,489	–	–	47,197,489
Due from related parties	948,319,068	–	–	948,319,068
	₱1,003,664,368	₱–	₱–	₱1,003,664,368
Liabilities				
Trade and other payables	₱86,343,554	₱–	₱–	₱86,343,554
Due to related parties	242,020,027	–	–	242,020,027
Loans payable	412,719,643	–	–	412,719,643
Installment payable	113,242,842	–	–	113,242,842
	₱854,326,066	₱–	₱–	₱854,326,066

*Excluding statutory payables amounting to P17,212,317



		Parent		
		2023		
	Carrying Value	Fair Value		
		Quoted Prices in Active Markets (Level 1)	Significant Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash in banks	₱63,377	₱—	₱—	₱63,377
Liabilities				
Trade and other payables*	₱2,053,377	₱—	₱—	₱2,053,377
Due to related parties	92,700,455	—	—	92,700,455
	₱94,753,832	₱—	₱—	₱94,753,832

* Excluding statutory payables amounting to ₱10,000

Consolidated				
2022				
	Carrying Value	Fair Value		
		Quoted Prices in Active Markets (Level 1)	Significant Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash in banks	₱6,127,949	₱—	₱—	₱6,127,949
Trade receivables	5,476,968	—	—	5,476,968
Due from related parties	574,819,396	—	—	574,819,396
	₱586,424,313	₱—	₱—	₱586,424,313
Liabilities				
Trade and other payables*	₱37,215,346	₱—	₱—	₱37,215,346
Due to related parties	40,304,127	—	—	40,304,127
Loans payable	184,163,573	—	—	184,163,573
	₱261,683,046	₱—	₱—	₱261,683,046

* Excluding statutory payables amounting to ₱10,477,672

		Parent		
		2022		
	Carrying Value	Fair Value		
		Quoted Prices in Active Markets (Level 1)	Significant Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash in banks	₱63,313	₱—	₱—	₱63,313
Liabilities				
Trade and other payables*	₱482,383	₱—	₱—	₱482,383
Due to related parties	8,671,755	—	—	8,671,755
	₱9,154,138	₱—	₱—	₱9,154,138

* Excluding statutory payables amounting to ₱4,000

The Group has determined that the carrying amounts of cash in banks, trade receivables, trade and other payables (except government payables), advances from/to related parties and loans and installment payable, reasonably approximate their fair values because these are mostly short-term in nature.

There were no transfers between Level 1 and 2 fair value measurements and no transfers into and out of Level 3 fair value measurement as at December 31, 2023 and 2022.



22. 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, ECMCI 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.

23. 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 December 31, 2023.

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 2023 are as follows:

	Paid	Accrued
EWT	₱10,000	₱6,000
Withholding taxes on compensation and benefits	—	—
	<u>₱10,000</u>	<u>₱6,000</u>

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.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
East Coast Vulcan Corporation (formerly Vulcan Industrial & Mining Corporation)
4th Floor, Low Rise, Pacific Star Building
1209 Sen. Gil J. Puyat Ave.
Makati City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the financial statements of East Coast Vulcan Corporation (formerly Vulcan Industrial & Mining Corporation) as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, included in this Form 17-A, and have issued our report thereon dated April 15, 2024. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Eleanore A. Layug

Partner

CPA Certificate No. 0100794

Tax Identification No. 163-069-453

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

BIR Accreditation No. 08-001998-097-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10079951, January 6, 2024, Makati City

April 15, 2024



INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
East Coast Vulcan Corporation (formerly Vulcan Industrial & Mining Corporation)
4th Floor, Low Rise, Pacific Star Building
1209 Sen. Gil J. Puyat Ave.
Makati City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the financial statements of East Coast Vulcan Corporation (formerly Vulcan Industrial & Mining Corporation) as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 15, 2024. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS), and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Eleanore A. Layug

Partner

CPA Certificate No. 0100794

Tax Identification No. 163-069-453

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

BIR Accreditation No. 08-001998-097-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10079951, January 6, 2024, Makati City

April 15, 2024



**EAST COAST VULCAN CORPORATION AND SUBSIDIARY
(FORMERLY VULCAN INDUSTRIAL & MINING CORPORATION)
INDEX TO THE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
AS OF DECEMBER 31, 2023**

COMPANY FINANCIAL STATEMENTS

Statements of Financial Position as of December 31, 2023 and 2022

Statements of Income for the years ended December 31, 2023, 2022 and 2021

Statements of Comprehensive Income for the years ended December 31, 2023, 2022 and 2021

Statements of Changes in Equity (Capital Deficiency) for the years ended December 31, 2023, 2022 and 2021

Statements of Cash Flows for the years ended December 31, 2023, 2022 and 2021

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 CORPORATION AND SUBSIDIARY
(FORMERLY VULCAN INDUSTRIAL & MINING CORPORATION)
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2023**

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
<i>Cash and related parties</i>				
Cash		₱8,147,811	₱8,147,811	₱24,054
Trade and other receivables		47,197,489	47,197,489	-
Due from related parties		948,319,068	948,319,068	-
Total		1,003,664,368	1,003,664,368	24,054

**EAST COAST VULCAN CORPORATION AND SUBSIDIARY
(FORMERLY VULCAN INDUSTRIAL & MINING CORPORATION)
SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS,
EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS
(OTHER THAN RELATED PARTIES)
DECEMBER 31, 2023**

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 December 31, 2023 equal to or above the established threshold of the Rule.

**EAST COAST VULCAN CORPORATION AND SUBSIDIARY
(FORMERLY VULCAN INDUSTRIAL & MINING CORPORATION)
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES
WHICH ARE ELIMINATED DURING THE
CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 Corporation (Parent Company)	₱1,143,375	₱-	₱-	₱-	₱76,292,123	₱-	₱76,292,123

**EAST COAST VULCAN CORPORATION AND SUBSIDIARY
(FORMERLY VULCAN INDUSTRIAL & MINING CORPORATION)
SCHEDULE D - LONG-TERM DEBT
DECEMBER 31, 2023**

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 CORPORATION AND SUBSIDIARY
(FORMERLY VULCAN INDUSTRIAL & MINING CORPORATION)
SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES
(LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2023**

Name of Related Party	Balance at beginning of period	Balance at end of period
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—Not applicable—

**EAST COAST VULCAN CORPORATION AND SUBSIDIARY
(FORMERLY VULCAN INDUSTRIAL & MINING CORPORATION)
SCHEDULE F - GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2023**

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 CORPORATION AND SUBSIDIARY
(FORMERLY VULCAN INDUSTRIAL & MINING CORPORATION)
SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 2023**

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 CORPORATION
(FORMERLY VULCAN INDUSTRIAL & MINING CORPORATION)
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND
DECLARATION (ANNEX 68-D)
AS OF DECEMBER 31, 2023

Unappropriated Retained Earnings, beginning of reporting period		<u>(P1,001,208,899)</u>
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	—	
Effect of restatements or prior-period adjustments	—	
Others (describe nature)]	—	—
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	—	
Retained Earnings appropriated during the reporting period	—	
Effect of restatements or prior-period adjustments	—	
Others (describe nature)	—	—
Unappropriated Retained Earnings, as adjusted		(1,001,208,899)
Add/Less: Net Income (loss) for the current year		(11,933,465)
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
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)	—	
Sub-total		—
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)		
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)	—	
Sub-total		—
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
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)	—	

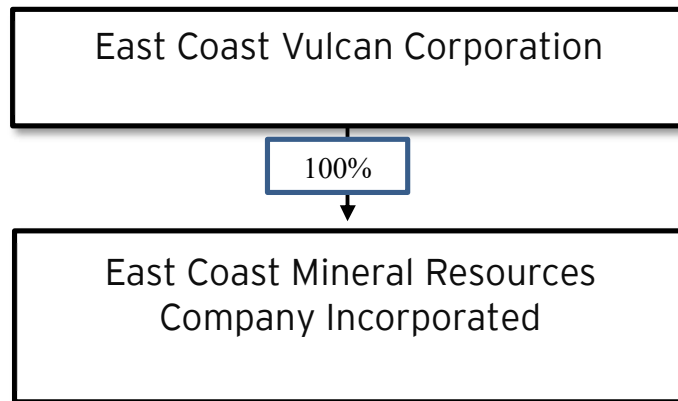
Reversal of previously recorded fair value gain of Investment Property	—	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	—	
Sub-total		—
Adjusted Net Income/Loss		(11,933,465)
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	—	
Sub-total		—
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP (see Footnote 3)		
Amortization of the effect of reporting relief	—	
Total amount of reporting relief granted during the year	—	
Others (describe nature)	—	
Sub-total		—
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
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)	(73,141,470)	
Sub-total		(73,141,470)
Total Retained Earnings, end of the reporting period available for dividend*		P—

**The amount is zero since the reconciliation results to a deficit of ₱1,086,283,834 as at December 31, 2023*

**EAST COAST VULCAN CORPORATION AND SUBSIDIARY
(FORMERLY VULCAN INDUSTRIAL & MINING CORPORATION)
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS (ANNEX 68-E)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

Ratio	Formula	2023	2022
<i>Liquidity and Solvency Ratios:</i>			
Current ratio	Total Current Assets Divided by: Total Current Liabilities	1.32:1	2.35:1
Quick ratio	(Cash + Receivables) Divided by: Total Current Liabilities	0.07:1	.05:1
Solvency ratio	(Net Income + Depreciation) Divided by: Total Liabilities	0.25:1	1.46:1
<i>Financial Leverage Ratios:</i>			
Asset to equity ratio	Total Assets Divided by: Total Equity	1.66:1	1.22:1
Debt ratio	Total Liabilities Divided by: Total Assets	0.40:1	0.18:1
Debt to equity ratio	Total Liabilities Divided by: Total Equity	0.66:1	0.22:1
Interest coverage ratio	Net Income Before Tax Divided by: Interest Expense	7.41:1	25.69:1
Price earnings ratio	Current Share Price Divided by: Earnings Per Share	18.82:1	2.20:1
<i>Profitability Ratios:</i>			
Return on assets	Net Income Before Tax Divided by: Total Assets	8%	29%
Return on equity	Net Income Before Tax Divided by: Total Equity	13%	35%
Gross profit margin	Gross Income Divided by: Net Sales	52%	78%
Net profit margin	Net Income Divided by: Net Sales	36%	59%

**EAST COAST VULCAN CORPORATION AND SUBSIDIARY
(FORMERLY VULCAN INDUSTRIAL & MINING CORPORATION)
MAP SHOWING THE RELATIONSHIPS OF THE COMPANIES WITHIN
THE GROUP
AS OF DECEMBER 31, 2023
PURSUANT TO REVISED SRC RULE 68**



Annex A: Reporting Template

(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

Contextual Information

Company Details	
Name of Organization	EAST COAST VULCAN MINING CORPORATION (formerly EAST COAST VULCAN CORPORATION)
Location of Headquarters	15th Floor, High Rise Pacific Star Building, Sen. Gil Puyat Avenue, Makati City, Metro Manila, Philippines
Location of Operations	
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	EAST COAST VULCAN MINING CORPORATION (ECVC) Formerly East Coast Vulcan Corporation
Business Model, including Primary Activities, Brands, Products, and Services	On May 29, 2023, the SEC approved the Company's share swap transaction with East Coast Minerals Resources Company Incorporated (ECMRCI), with the Company's sources of income produced through royalty and commission from two (2) of three (3) Mineral Production Sharing Agreements (MPSA) acquired by the Company from ECMRCI. The Company has had no products and services.
Reporting Period	January to December 2023
Highest Ranking Person responsible for this report	Hilario G. Pagautan - Chairman/President/CEO

**If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics. ¹
The company has had no operations in the past years and this year. On May 29, 2023, the SEC approved the Company's share swap transaction with East Coast Minerals Resources Company Incorporated (ECMRCI), with the Company's sources of income produced through royalty and commission from two (2) of three (3) Mineral Production Sharing Agreements (MPSA) acquired by the Company from ECMRCI. This report focuses on its care, professional, maintenance during this period of non-operation, consolidation and material topics were assessed based on existing company policies.

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

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	-	PhP
Direct economic value distributed:		
a. Operating costs	11,641,719	PhP
b. Employee wages and benefits	0	PhP
c. Payments to suppliers, other operating costs		PhP
d. Dividends given to stockholders and interest payments to loan providers	0	PhP
e. Taxes given to government	73,433,278	PhP
f. Investments to community (e.g. donations, CSR)	0	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Since the company has no operation, no employees and no income, its expenses are mainly for professional and maintenance of the head office which it shares office space with affiliates.</i>	<i>Stockholders</i>	<i>Management is committed to finding more business opportunities to increase shareholder value.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>The company may continue to incur liabilities if no income will be realized in the coming years.</i>	<i>Stockholders</i>	<i>The company can rely on advances from affiliates but will continue to exert all efforts to find more business opportunities to create shareholder value.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>With the approved increase of authorized share of capital the company can offer more to the public</i>	<i>Stockholders</i>	<i>The company will continue to look for more investors for growth of the company.</i>

Climate-related risks and opportunities²

Governance	Strategy	Risk Management	Metrics and Targets
<i>Since the company has no operations, it is not exposed to climate-related risks.</i>	<i>Since the company has had no operations for the last five years, the actual and potential impacts of climate-related risks and opportunities, if any, to the organization's, business strategy and financial planning are considered immaterial.</i>	<i>The company has no material climate-related risks but during its operational period the company complied with the maintenance of environmental trust fund as required by the DENR pursuant to the relevant mining laws.</i>	<i>At present the Company has no formal climate-related risk strategies and metrics. Nonetheless, the Company will consider adopting a formal enterprise risk management program once it undertakes business activities in the future.</i>

Procurement Practices - I

Proportion of spending on local suppliers

Disclosure		Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers		Not material	0%
What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach	
<i>Since the company has no operation, it has neither direct utilization of raw materials nor does it procure much supplies, except office supplies.</i>	<i>The effect on stakeholders is not material.</i>	<i>Management applies conventional business measures in monitoring and controlling procurement of supplies.</i>	
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach	
<i>Since the company has no operation, it has neither direct utilization of raw materials nor does it procure much supplies, except office supplies.</i>	<i>The effect on stakeholders is not material.</i>	<i>ECVC commits itself to strictly monitor procurement practices.</i>	
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach	

² Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

<i>Reduction of procurement costs</i>	<i>Employees Stockholders</i>	<i>ECVC commits itself to strictly monitor procurement practices.</i>
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Anti-corruption

Training on Anti-corruption Policies and Procedures - Mostly not applicable. The company has no employees and under care and maintenance mode.

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	N/A	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	N/A	%
Percentage of directors and management that have received anti-corruption training	16	100%
Percentage of employees that have received anti-corruption training	N/A	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>There is no significant impact because the company has no operations and no employees.</i>	<i>Employees Stockholders Government</i>	<i>The company has a code of business conduct & ethics that the employees and officers are expected to comply. As management understands that the matter is a sensitive issue, ECVC also has a whistleblowing policy in place including its procedures to create a non-hostile environment in reporting such incidents.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>No significant risks identified.</i>	<i>Employees Stockholders Government</i>	<i>The company has a code of business conduct & ethics that the employees and officers are expected to comply with.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>No significant opportunities</i>	<i>Employees</i>	<i>The company has a code of business conduct & ethics that the employees and</i>

<i>identified.</i>	<i>Government</i>	<i>officers are expected to comply with.</i>
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Incidents of Corruption

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>As per company policy, the company will commence appropriate disciplinary actions on erring employees. It does not tolerate corrupt acts.</i>	<i>Employees Stockholders Government</i>	<i>The company has a code of business conduct & ethics that the employees are expected to comply with. As management understands that the matter is a sensitive issue, ECVI also has a whistleblowing policy in place including its procedures to create a non-hostile environment in reporting such incidents.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>The company has no employees due to non-operation, no significant risks are identified.</i>	<i>Employees Stockholders Government</i>	<i>The company has a code of business conduct & ethics that the employees are expected to comply with.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>The company has no employees due to non-operation, hence no identifiable significant opportunities.</i>	<i>Employees Stockholders Government</i>	<i>The company has a code of business conduct & ethics that the employees are expected to comply with.</i>

ENVIRONMENT

Resource Management

Energy consumption within the organization: The company has no operations and no employees. It shares office space with affiliates.

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	0	L
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	0	L
Energy consumption (electricity)	0	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	0	GJ
Energy reduction (LPG)	0	GJ
Energy reduction (diesel)	0	GJ
Energy reduction (electricity)	0	kWh
Energy reduction (gasoline)	0	GJ

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>The Company has no operations and no employees. Energy consumption is very minimal and limited to the use of computers and printing of quarterly and annual reports for compliance with regulatory requirements and corporate housekeeping. It shares office space with affiliates that use power supplied by MERALCO.</i>	MERALCO Government	<i>ECVC will continue to find ways to minimize energy consumption.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Since there is no operation and no employees, the risk is insignificant for energy consumption.</i>	MERALCO Government	<i>Management will continuously find ways to minimize energy usage.</i>

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Finding ways to save on energy costs will result to reduced company's expenses.</i>	<i>MERALCO Government</i>	<i>Management will continuously find ways to minimize energy usage.</i>

Water consumption within the organization -- The company has no operations and no employees. It shares office space with affiliates.

Disclosure	Quantity	Units
Water withdrawal		Cubic meters
Water consumption		Cubic meters
Water recycled and reused		Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>The Company has no operations and no employees. Its activities are limited to the use of computers and printing of quarterly and annual reports for compliance with regulatory requirements and corporate housekeeping. It does not utilize water.</i>	<i>Community Government</i>	<i>Management will consider efficient water use programs for its future business activities.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Since there is no operation and no employees, no significant risks are identified.</i>	<i>Community Government</i>	<i>Management will consider efficient water use programs for its future business activities.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>No significant opportunities identified.</i>	<i>Community Government</i>	<i>Management will consider efficient water use programs for its future business activities.</i>

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume	N/A	
• renewable		kg/liters
• non-renewable		kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	N/A	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>ECVC has no operation, and therefore, does not use any raw materials.</i>	<i>Not applicable</i>	<i>Not applicable</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>No significant risks identified.</i>	<i>Not applicable</i>	<i>Not applicable</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>No significant opportunities identified.</i>	<i>Not applicable</i>	<i>Not applicable</i>

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine) - The company currently has no assets.

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	0	
Habitats protected or restored	0	ha
IUCN ³ Red List species and national conservation list species with habitats in areas affected by operations	0	

What is the impact and where	Which stakeholders are	Management Approach
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³ International Union for Conservation of Nature

does it occur? What is the organization's involvement in the impact?	affected?	
<i>Not applicable</i>	<i>Not applicable</i>	<i>Not applicable</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>	<i>Not applicable</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>	<i>Not applicable</i>

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	0	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	0	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	0	Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>ECVC has no operation and no employees, hence there is no impact relating to air emission.</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>No significant risks identified</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>No significant opportunities identified.</i>	<i>Not Applicable</i>	<i>Not Applicable</i>

Air pollutants

Disclosure	Quantity	Units
NO _x		kg
SO _x		kg
Persistent organic pollutants (POPs)		kg
Volatile organic compounds (VOCs)		kg
Hazardous air pollutants (HAPs)		kg
Particulate matter (PM)		kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>ECVC has no operation and no employees, hence there is no impact relating to air pollutants.</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>No significant risks identified.</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>No significant opportunities identified.</i>	<i>Not Applicable</i>	<i>Not Applicable</i>

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	0	kg
Reusable	0	kg
Recyclable	0	kg
Composted	0	kg
Incinerated	0	kg
Residuals/Landfilled	0	kg

What is the impact and where does it occur? What is the organization's involvement in the	Which stakeholders are affected?	Management Approach
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impact?		
<i>ECVC has no operation and no employees, hence there is no impact relating to solid waste.</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>No significant risks identified</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>No significant opportunities identified</i>	<i>Not Applicable</i>	<i>Not Applicable</i>

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	0	kg
Total weight of hazardous waste transported	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>ECVC has no operation and no employees, hence there is no impact relating to hazardous waste.</i>	<i>Not Applicable</i>	<i>Not Applicable?</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>No significant risks identified</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>No significant opportunities identified</i>	<i>Not Applicable</i>	<i>Not Applicable</i>

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	0	Cubic meters
Percent of wastewater recycled	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>ECVC has no operation and no employees, hence there is no impact relating to effluents.</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>No significant risks identified</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>No significant opportunities identified</i>	<i>Not Applicable</i>	<i>Not Applicable</i>

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	N/A	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	N/A	#
No. of cases resolved through dispute resolution mechanism	N/A	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Since the company has no operations in the past years and no employees, ECVC has not violated any environmental laws and</i>	<i>Community Employees</i>	<i>During its period of operations, ECVC strived to ensure that the environmental impact of its business operations is mitigated and/or minimized and strictly</i>

<i>regulations that directly impact the environment.</i>	<i>Government</i>	<i>abides by the regulatory standards and policies. It will continue its adherence to such standards and policies in its future business activities.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>No significant risks identified</i>	<i>Community Employees Government</i>	<i>The company will continue to abide with the environmental laws and regulations.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>No significant opportunities identified</i>	<i>Community Employees Government</i>	<i>The company will continue to abide with the environmental laws and regulations.</i>

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

The company has no operation and no employees for the past year.

Disclosure	Quantity	Units
Total number of employees ⁴		
a. Number of female employees	0	#
b. Number of male employees	0	#
Attrition rate ⁵	0	rate
Ratio of lowest paid employee against minimum wage	0	ratio

Employee benefits - The company has no operation and no employees for the past year but has the following policy on employee benefits:

List of Benefits	Y/N	% of female employees who availed for the	% of male employees who availed for the
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⁴ Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

⁵ Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

		year	year
SSS	Y	N/A	N/A
PhilHealth	Y	N/A	N/A
Pag-ibig	Y	N/A	N/A
Parental leaves	Y	N/A	N/A
Vacation leaves	Y	N/A	N/A
Sick leaves	Y	N/A	N/A
Medical benefits (aside from PhilHealth))		N/A	N/A
Housing assistance (aside from Pag-ibig)		N/A	N/A
Retirement fund (aside from SSS)	N	N/A	N/A
Further education support	N	N/A	N/A
Company stock options	N	N/A	N/A
Telecommuting	Y	N/A	N/A
Flexible-working Hours	Y	N/A	N/A
(Others)		N/A	N/A

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Employee benefits directly impact employee performance and morale.</i>	<i>The company has always complied with the directives of the SSS, Philhealth and Pag-ibig with regard to mandatory monthly company contributions and remittance of employee share.</i>
What are the Risk/s Identified?	Management Approach
<i>The company has no operations and no employees, but has always complied with mandatory benefits required by law during its period of operation. Hence, there is no significant risk identified.</i>	<i>Not applicable</i>
What are the Opportunity/ies Identified?	Management Approach
<i>No significant opportunities identified.</i>	<i>Not applicable</i>

Employee Training and Development-Not applicable

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees		hours
b. Male employees		hours
Average training hours provided to employees		
a. Female employees		hours/employee
b. Male employees		hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>ECVC has no operation and no employees, hence there is no significant impact.</i>	<i>Not applicable</i>
What are the Risk/s Identified?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	N/A	%
Number of consultations conducted with employees concerning employee-related policies	N/A	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>ECVC has no operation and no employees, hence there is no significant impact.</i>	<i>Not applicable</i>
What are the Risk/s Identified?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>

Diversity and Equal Opportunity – Not applicable

Disclosure	Quantity	Units
% of female workers in the workforce		%
% of male workers in the workforce		%
Number of employees from indigenous communities and/or vulnerable sector*		#

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>ECVC has no operation and no employees, and under care and maintenance mode only. Hence, there is no significant impact.</i>	<i>Criteria for employment and promotion focus mainly on the employee's ability to do his/her assigned work.</i>
What are the Risk/s Identified?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>

Workplace Conditions, Labor Standards, and Human Rights – Not applicable

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	0	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work related ill-health	0	#
No. of safety drills	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>ECVC has no operation and no employees. Hence, there is no significant impact.</i>	
What are the Risk/s Identified?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>

Labor Laws and Human Rights

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>

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

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N	
Child labor	N	
Human Rights	N	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>ECVC has no operation and no employees. Hence, there is no significant impact.</i>	<i>Although there is no specific written company policy, management adheres to the relevant child labor and human rights laws.</i>
What are the Risk/s Identified?	Management Approach
<i>ECVC has no operation and no employees. Hence, there is no significant impact.</i>	<i>Although there is no specific written company policy, management adheres to the relevant child labor and human rights laws.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Being compliant with labor laws will make company attractive to potential employees. It will also foster loyalty within the organization.</i>	<i>Although there is no specific written company policy, ECVC will always adhere to the relevant child labor and human rights laws.</i>

Supply Chain Management

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

The company have no operations and no employees, and under care and maintenance mode while it evaluates possible business opportunities. At present, it only purchases office supplies which does not necessitate an accredited supplier.

Do you consider the following sustainability topics when accrediting suppliers? N/A

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance		
Forced labor		
Child labor		
Human rights		
Bribery and corruption		

What are the Risk/s Identified?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>

Relationship with Community

Significant Impacts on Local Communities - Not applicable

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)

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

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

Certificates	Quantity	Units
FPIC process is still undergoing		#
CP secured		#

What are the Risk/s Identified?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
<i>Not applicable</i>		<i>Not applicable</i>

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>
What are the Risk/s Identified?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>
What are the Risk/s Identified?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>
What are the Risk/s Identified?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>
What are the Risk/s Identified?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>
What are the Opportunity/ies Identified?	Management Approach

<i>Not applicable</i>	<i>Not applicable</i>
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Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Since the company has no operations, no employees and no customers, there is no significant impact relating to data security.</i>	<i>The company believes in data privacy protection and will register pursuant to the Data Privacy Act once it undertakes business activities and hires employees. It has already appointed a Data Privacy Officer.</i>
What are the Risk/s Identified?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Not applicable</i>	<i>Not applicable</i>

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Since the company has no operations and no employees in the past year, it has not produced any product or offered any services.	In the event that the company conducts business activities and realizes income, ECVC would be able to make significant contributions to local communities.	Until the company begins operations, it cannot make any significant contributions to help alleviate poverty in the local communities.	The company will find ways to help the poor and the marginalized in the barangay communities and consider social amelioration programs in its future business activities.

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*