

COVER SHEET

SEC Registration Number

VULCAN INDUSTRIAL & MINING CORPORATION

(Company's Full Name)

6th / F QUAD ALPHA CENTRUM, 125 PIONEER ST MANDALUYON CITY

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

Atty. Gaspar R. Andres Jr. 631-5139

Contact Person

Company Telephone Number

12 31 SEC Form 17-Q March 31, 2023 FORM TYPE 05 31

Month Day Fiscal Year

FORM TYPE

Month Day Annual Meeting

Secondary License Type, If Applicable

Dept Requiring this Doc Amended Articles Number / Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

Revised 2019

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

1. For the quarterly period ended **March 31, 2023**

2. Commission identification number **7443**

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

4. Exact name of issuer as specified in its charter

VULCAN INDUSTRIAL & MINING CORPORATION

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

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office **125 Pioneer Street Mandaluyong City** Postal Code **1550**

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

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

N/A

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

Title of each class	Number of shares of common stock outstanding
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Common	1,450,000,000
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11. Are any or all of the securities listed on the Philippine Stock Exchange?

Yes ☒ No ☐

12. Indicate by check mark whether the registrant:

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

Yes ☒ No ☐

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

Yes ☒ No ☐

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

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

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

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

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

Comparative financial highlights for the quarter ended March 31, 2023 and March 31, 2022 are presented below:

	Unaudited 31 March 2023	Unaudited 31 March 2022
Revenues	17	31
Net Loss	1,599,260	492,409
Total Assets	468,188	103,238
Total Liabilities	10,779,227	3,967,556
Net Worth	(10,311,039)	(3,864,317)
Issued and Outstanding Capital	1,450,000,000	1,450,000,000

The Company has no revenue for the period March 31, 2023 and March 31, 2022 and incurred a net loss of P1.6 million and P0.5 million, respectively. The net loss pertains to administrative expenses incurred such as PSE annual listing fees, licenses and fees.

The Company has total assets of P0.5 million and P0.1 million as of the period ended March 31, 2023 and March 31, 2022, respectively. Total assets decreased due to general and administrative expenses incurred by the Company.

The Company's total liabilities increased to P10.8 million as of March 31, 2023 as compared to P3.9 million as of March 31, 2022 due to additional advances from related party and accrual of some expenses.

Cumulative losses resulting to deficit increased to P1 Billion as of March 31, 2023 compared to P996.4 million as of March 31, 2022. The increase was due to the net losses incurred by the Company during the period.

Capital deficiency increased to P1 Billion as of March 31, 2023 compared to P3.9 million as of March 31, 2022 to due to net loss incurred by Company during from March 31, 2022 to March 31, 2023.

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

	<u>31 March 2023</u>	<u>31 Dec. 2022</u>	<u>31 March 2022</u>
Current Ratio	0.04:1	0.04:1	0.03:1
<u>Current Assets</u>	<u>424,525</u>	<u>394,509</u>	<u>103,238</u>
Current Liabilities	10,779,227	9,158,137	3,967,556
 Debt to Equity Ratio	 (1.05):1	 (1.05):1	 (1.03):1
<u>Total Liabilities</u>	<u>10,779,227</u>	<u>9,158,137</u>	<u>3,967,556</u>
Stockholders Equity	(10,311,039)	(8,711,778)	(3,864,317)
 Equity to Debt Ratio	 (0.95):1	 (0.96):1	 (0.97):1
<u>Stockholders Equity</u>	<u>(10,311,039)</u>	<u>(8,711,778)</u>	<u>(3,864,317)</u>
Total Liabilities	10,779,227	9,158,137	3,967,556
 Book Value Per Share	 (0.0071)	 (0.0060)	 -0.0023
<u>Stockholders' Equity</u>	<u>(10,311,039)</u>	<u>(8,711,778)</u>	<u>(3,864,317)</u>
Total # of shares	1,450,000,000	1,450,000,000	1,450,000,000
 Earnings (Loss) per share	 (0.0011)	 (0.0037)	 -0.00003
<u>Net Income (Loss)</u>	<u>(1,599,260)</u>	<u>(5,339,871)</u>	<u>(492,409)</u>
Total # of shares	1,450,000,000	1,450,000,000	1,450,000,000

The change in key indicators as of March 31, 2023 as compared to March 31, 2023 and December 31, 2022 noted a significant decrease in all areas due to net loss incurred during each period.

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

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

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

There are NO known trends, demands, commitments, events or uncertainties that have or are reasonably likely to have material impact on the Company's liquidity, EXCEPT: that the Company is considering a private placement of at most 700,000,000 shares from the unissued capital stock to provide working capital and funding requirements for the Company.

The Company has NO material commitments for capital expenditures.

The standards mentioned in SEC Memorandum Circular No. 6 Series of 2013 are not applicable to the Company's interim financial statements as of the period ended March 31, 2023.

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

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

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

Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations is not applicable

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

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

The Company activities expose it to a variety of financial risks. The Board of Directors reviews and approves on policies for managing each of these risks namely:

Liquidity Risk

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

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

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

Equity Price Risk

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

Financial instruments

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

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

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

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

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

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

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

Financial Soundness Indicators

<i>Profitability Ratios</i>	March 31, 2023	March 31, 2022
Return on Assets	-376.72%	-476.97%
Return on Equity	15.51%	12.74%
Gross profit margin	—%	—%
Net profit margin	-	-
<i>Liquidity and Solvency Ratios</i>		
Current Ratio	0.04: 1	0.03
Quick Ratio	0.04: 1	0.03
Solvency Ratio	0.039: 1	0.03
<i>Financial Leverage Ratios</i>		
Asset to Equity Ratio	(0.05): 1	(0.03)
Debt Ratio	25.39: 1	38.43
Debt to Equity Ratio	(1.05): 1	(0.03)
Interest Coverage Ratio	0	0

PART II - OTHER INFORMATION

There were items for disclosure that were made under SEC Form 17-C during the current interim period (01 January to March 31, 2023).

SIGNATURE


Pursuant to the requirements of Section 11 of the RSA and Section 141 of the Corporation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned; thereunto duly authorized, in the City of Mandaluyong on _____May 2023.

VULCAN INDUSTRIAL & MINING CORPORATION

Issuer

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

By:



Hilario G. Pagautan
Chairman of the Board
President/CEO



Ma. Hilarnie Mercurio P. Parada
Treasurer

VULCAN INDUSTRIAL & MINING CORPORATION
STATEMENTS OF FINANCIAL POSITION

	Unaudited March 31, 2023	Audited 2022
ASSETS		
Current Assets		
Cash in bank and on hand	P163,329	P163,313
Advances to suppliers and contractors	208,096	208,096
Input value added tax (VAT)	53,100	23,100
Total Current Assets	424,525	394,509
Noncurrent Asset		
Property and equipment	43,663	51,850
TOTAL ASSETS	P468,188	P446,359
LIABILITIES AND CAPITAL DEFICIENCY		
Current Liabilities		
Accrued expenses	P531,520	P486,383
Due to related parties	10,247,707	8,671,755
Total Current Liabilities	10,779,227	9,158,138
Capital Deficiency		
Capital stock	992,497,120	992,497,120
Deficit	(1,002,808,159)	(1,001,208,899)
Total Capital Deficiency	(10,311,039)	(8,711,779)
TOTAL LIABILITIES AND CAPITAL DEFICIENCY	P468,188	P446,359

VULCAN INDUSTRIAL & MINING CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

	Unaudited	
	March 31, 2023	March 31, 2022
GENERAL AND ADMINISTRATIVE EXPENSES	₱1,599,277	₱492,440
OTHER INCOME		
Interest income from bank deposits	17	31
NET LOSS	(1,599,260)	(492,409)
OTHER COMPREHENSIVE INCOME	—	—
TOTAL COMPREHENSIVE LOSS	(₱1,599,260)	(₱492,409)
BASIC/DILUTED LOSSES PER SHARE	(₱0.002)	(₱0.0003)

VULCAN INDUSTRIAL & MINING CORPORATION
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Unaudited	
	March 31, 2023	March 31, 2022
CAPITAL STOCK		
Authorized:		
Common shares - ₱1 par value 4,000,000,000 shares	₱4,000,000,000	₱4,000,000,000
Issued:		
Common shares - ₱1 par value 963,944,338 shares	₱963,944,338	₱963,944,338
Subscribed:		
Common shares - ₱1 par value 486,055,662 shares (net of subscriptions receivable of ₱457,502,880)	28,552,782 ₱992,497,120	28,552,782 ₱992,497,120
DEFICIT		
Beginning	(₱996,361,437)	(₱995,869,028)
Add Net loss during the period	(1,599,260)	(492,409)
Ending	(1,002,808,159)	(996,361,437)
BALANCE	(₱10,311,039)	(₱3,864,317)

VULCAN INDUSTRIAL & MINING CORPORATION
STATEMENTS OF CASH FLOWS

	Unaudited	
	March 31, 2023	March 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(P1,599,260)	(P492,409)
Adjustments for:		
Depreciation (Note 9)	8,187	—
Interest income (Note 4)	(17)	—
Operating loss before working capital changes	(1,591,090)	(492,409)
Decrease (increase) in:		
Advances to suppliers and contractors	—	—
Input VAT	(30,000)	—
Increase (decrease) in:		
Accrued expenses	45,136	(456,600)
Due to related parties	1,575,953	—
Net cash flows from operations	(1)	(35,809)
Interest received	17	—
Net cash flows from operating activities	16	(35,809)
CASH FLOW FROM AN INVESTING ACTIVITY		
Additions to property and equipment (Note 5)	—	—
NET INCREASE IN CASH	16	(35,809)
CASH AT BEGINNING OF YEAR	163,313	139,407
CASH AT END OF YEAR	P163,329	P103,238

VULCAN INDUSTRIAL & MINING CORPORATION

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information and Status of Operations

Corporate Information

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

As of December 31, 2022 and 2021, National Book Store, Inc. (NBS) owned the 13.8% of the shares of the Company.

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

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

On July 1, 2021, the Company entered into a Memorandum of Agreement (MOA) with majority stockholders of East Coast Mineral Resources Company Incorporated (ECRMCI) for the latter’s subscription up to 5.18 billion shares of the Company arising from the increase in authorized capital stock (see Note 8).

In 2021, the BOD and Stockholders have approved the following amendment in 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 (see Note 8).

In 2022, the Company submitted its application for the amendment of Articles of Incorporation to the Philippine SEC. As of April 12, 2023, SEC has not yet approved the application.

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

Status of Operations

The Company has incurred cumulative losses resulting to deficit amounting to ₱1,001.2 million and ₱995.9 million as at December 31, 2022 and 2021, respectively, which resulted to capital deficiency amounting to ₱8.7 million and ₱3.4 million, respectively. In addition, the Company has negative working capital of ₱8.8 million and ₱3.4 million in 2022 and 2021, respectively. The Company is currently non-operating due to the cessation of its mining business and amendment of its primary and secondary purposes as a corporation from mining to holding. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Management has neither the intention nor the need to liquidate the Company in the foreseeable future. ECRMCI is committed to provide financial support to enable

the Company to continue paying its expenses and settle its liabilities, for at least 12 months from end of the reporting period, and to enable the Company to operate as a going concern.

The financial statements as of December 31, 2022 and 2021 were approved and authorized for issue by the BOD on April 12, 2023.

2. **Basis of Preparation, Statement of Compliance, Changes in Accounting Policies and Disclosures and Summary of Significant Accounting Policies**

Basis of Preparation

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

Statement of Compliance

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

Changes in Accounting Policies and Disclosures

New and Amended Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the new standards effective in 2022. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Company.

- ***Amendments to PFRS 3, Reference to the Conceptual Framework***

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

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

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

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

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

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs

directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

- *Annual Improvements to PFRSs 2018-2020 Cycle*
 - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

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

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

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

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

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

Standards Issued but not yet Effective

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

Effective beginning on or after January 1, 2023

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

Effective beginning on or after January 1, 2024

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

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

Deferred effectivity

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

Summary of Significant Accounting Policies

Cash in Bank

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

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

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

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

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

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

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

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

Financial Instruments

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

Financial Assets: Initial Recognition and Measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs.

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

Contractual Cash Flows Characteristics

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

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

Business Model

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

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

Financial Assets: Subsequent Measurement

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

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

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

Financial Assets at Amortized Cost

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

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

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

The Company's financial asset at amortized cost includes cash in bank.

Impairment of Financial Assets

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

ECLs are measured in a way that reflects the following:

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

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

Stage 1: 12-month ECL

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

Stage 2: Lifetime ECL - not credit-impaired

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

Stage 3: Lifetime ECL - credit-impaired

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

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

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

Financial Liabilities: Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as FVTPL, at amortized cost or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

Subsequent Measurement – Financial Liabilities at Amortized Cost

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

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

The Company's financial liabilities at amortized cost consist of accrued expenses and due to related parties.

Reclassifications of Financial Instruments

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

Derecognition of Financial Assets and Liabilities

Financial Assets

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

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

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

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

Financial Liabilities

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

Offsetting of Financial Instruments

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

VAT

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

Advances to Suppliers and Contractors

Advances to suppliers and contractors pertains to advance payment contractors for the purchase of goods or services. These advances will be offset against the billings upon delivery of goods or services by the supplier or contractors. These are expected to be realized within 12 months after the end of reporting period.

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
Office 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.

Impairment of Nonfinancial Assets

Input VAT and Advances to suppliers and contractors

The Company assesses at each financial reporting date, its input VAT and advances to suppliers and contractors 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 input VAT and advances to suppliers and contractors 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 Company provides allowance for impairment losses on nonfinancial input VAT and advances to suppliers and contractors when they can no longer be realized. The amounts and timing of recorded expenses for any period would differ if the Company made different judgments or utilized different

estimates. An increase in allowance for impairment losses would increase recorded expenses and decrease input VAT and advances to suppliers and contractors.

Property and equipment

The Company 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 Company 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.

Capital Stock

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

Subscription Receivable

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

Deficit

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

Interest Income

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

Expenses

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

Income Taxes

Current Income Tax

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

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

Deferred Income Tax

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

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

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

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

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

Basic/Diluted Losses Per Share

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

Segment Reporting

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

There is only one reportable segment due to the amendment of the primary and secondary purposes of the Company from mining to holding (see Note 12).

Related Party Transactions

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

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the

liability. When discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

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

Contingencies

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

Events After the Reporting Date

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

3. Significant Accounting Judgments, Estimates and Assumptions

The Company'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 Company'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 Company'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.

Going Concern

The use of going concern assumption requires management to make judgments at a particular point in time about the future outcomes of events and conditions that are inherently uncertain. The underlying assumption in the preparation of financial statements is that the Company has neither the intention nor the need to liquidate the business.

Management has made an assessment of the Company's ability to continue as going concern and believes that financial support from ECMRCI is sufficient to provide the Company the ability to continue as a going concern. Accordingly, the Company prepares its financial statements on a going concern basis.

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 Realizability of Deferred Income Tax Assets

The Company 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 taxable profit will be available to allow all or part of the deferred income tax assets to be utilized in the future.

The Company did not recognize deferred income tax assets on carryforward benefits of unused NOLCO amounting to ₱8.2 million and ₱4.3 million as of December 31, 2022 and 2021, respectively, as management assessed that it is not probable that sufficient taxable income will be available to allow all or part of deferred income tax assets to be utilized in the future (see Note 10).

4. **Cash**

	March 31, 2023	2022
Cash in bank	₱63,329	₱63,313
Cash on hand	100,000	100,000
	₱163,329	₱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, amounted to ₱17, and ₱106, in March 31, 2023, 2022, respectively.

5. **Property and Equipment**

	Office equipment
Cost:	
Beginning balance	P—
Additions	65,495
Ending balance	65,495
Accumulated depreciation	
Beginning balances	13,645
Depreciation (Note 9)	8,187
Ending balance	21,832
Net book values	P43,663

6. **Accrued Expenses**

	March 31, 2023	2022
Accrued expenses	P529,520	P473,120
Withholding tax	2,000	4,000
Others	-	9,263
	P531,520	P486,383

Accrued expenses pertain to accruals for general and administrative expenses.

7. **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 Company has transactions with its affiliates and stockholders. Transactions pertain to advances from related parties to meet the Company's working capital requirements. The outstanding balance is presented as "Due to related parties" in the statements of financial position.

	March 31, 2023		2022			
	Transaction s During the Year	Outstandin g Balance	Transaction s During the Year	Outstandin g Balance	Terms	Conditions
<i>Affiliates:</i>						
<i>Advances</i>						
NBS	P-	P-	P-	P152,610	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
Libjo Mining Corporation (LMC)	1,301,263		1,516,965	1,516,965	Noninterest-bearing; Payable in cash; Due and demandable	Unsecured
ECMRCI	84,689		1,143,375	1,143,375	Noninterest-bearing; Payable in cash; Due and demandable	Unsecured
Stockholder Individual stockholder	190,000		2,679,922	2,679,922	Noninterest-bearing; Payable in cash; Due and demandable	Unsecured
			P	P8,671,755		

Compensation of Key Management Personnel

The financial and administrative functions of the Company are being handled by its affiliate, ECMRCI.

8. Capital Stock

Authorized:

Common shares - P1 par value in 2022 and 2021
4,000,000,000 shares in 2022 and 2021

P4,000,000,000

Issued:

Common shares - P1 par value in 2022 and 2021
963,944,338 shares in 2022 and 2021

P963,944,338

Subscribed:

Common shares - P1 par value in 2022 and 2021
486,055,662 shares in 2022 and 2021 (net of subscriptions
receivable of P457,502,880)

28,552,782

₱992,497,120

On August 11, 2014, the Company and NBS executed a subscription agreement for 363,944,338 common shares of the Company, to be issued in consideration of the assignment of NBS' existing deposit for future subscriptions amounting to ₱363.9 million in full payment of the total subscription price.

Simultaneously, the Company and NBS also executed a subscription agreement for 486,055,662 common shares of the Company, to be issued in consideration of a total subscription price of ₱486.1 million, payable in cash as follows:

- (i) ₱24.3 million upon execution of the subscription agreement: and
- (ii) The balance of ₱461.8 million upon call of the BOD

Both agreements were executed to comply with the documentary requirements of the Philippine SEC in connection with the Company's application for increase in authorized capital stock. On October 30, 2014, the Philippine SEC approved the Company's application for increase in authorized capital stock.

On November 4, 2014, the Company received ₱4.3 million from NBS as partial payment of the subscription balance that is payable upon call of the BOD.

Total share issuance costs incurred in connection with the increase in authorized capital stock and subscription agreements amounting to ₱11.0 million in 2014 were recognized directly in equity. On February 24, 2016, the Company issued the previously subscribed 363,944,338 common shares amounting to ₱363.9 million to NBS.

In 2021, the Company entered into a MOA with majority stockholders of ECRMCI for the latter's subscription up to 5.18 billion shares of the 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 and still pending approval from Philippine SEC (see Note 1).

The table below provides information regarding the number of stockholders of the Company as of December 31, 2022, 2021 and 2020:

	March 31, 2023	2022	2021
Common shares	1,900	1,901	1,901

Capital Management

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

The Company considers the following as its core economic capital:

	March 31, 2023	2022
Due to related parties	₱10,247,707	₱8,671,755
Capital stock	992,497,120	992,497,120
Deficit	(1,002,808,159)	(1,001,208,899)
	(₱63,332)	(₱40,024)

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

No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2022 and 2021.

9. General and Administrative Expenses

	Mar 31, 2023	2022	2021
Consultant fees	P284,000	P3,307,269	P82,900
Taxes and licenses	266,787	511,358	280,379
Director's fees	—	480,000	1,350,000
Representation	—	466,409	—
Outside services	1,033,600	245,240	309,000
Rental	—	175,340	—
Transportation	—	21,845	—
Depreciation (Note 5)	8,187	13,645	—
Others	6,702	118,871	60,216
	P1,599,276	P5,339,977	P2,082,495

10. Income Taxes

The Company has no provision for current income tax in 2022, 2021 and 2020 due to its gross loss and net taxable loss positions. The Company's interest income from bank deposits is subject to final tax.

The reconciliation of provision for income tax computed at the statutory income tax rate to provision for income tax shown in the statements of comprehensive income follows:

	2022	2021	2020
Income tax at statutory tax rate	(P1,067,974)	(P416,456)	(P243,875)
Additions to (reductions from) income tax resulting from:			
Change in unrecognized deferred income tax assets	1,067,995	416,499	243,912
Income already subjected to final tax	(21)	(43)	(37)
	P=	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, 2022, the 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
2019	2020-2022	₱1,399,638	₱1,399,638	₱–	₱–
2022	2023-2025	5,339,977	–	–	5,339,977
		₱6,739,615	₱1,399,638	₱–	₱5,339,977

As of December 31, 2022, the Company has incurred NOLCO in taxable year 2021 and 2020 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover as One Act, as follows:

Year Incurred	Availment Period	Amount	Expired	Applied	NOLCO Unapplied
2020	2021-2025	₱813,040	₱–	₱–	₱813,040
2021	2022-2026	2,082,495	–	–	2,082,495
		₱2,895,535	₱–	₱–	₱2,895,535

The 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.

11. Basic/Diluted Losses Per Share

	March 31, 2023	2022	2021
Net loss for the year	(₱1,599,260)	(₱5,339,871)	(₱2,082,278)
Divided by weighted average number of common shares	992,497,120	992,497,120	992,497,120
Basic/diluted losses per share	(₱0.002)	(₱0.005)	(₱0.002)

As of December 31, 2022, 2021 and 2020, the Company has no potential dilutive shares. Therefore, the basic and diluted losses per share are the same as of those dates.

12. Segment Information

In 2022, 2021 and 2020, the Company has only one reportable segment since the Company has ceased to engage in the business of mining, oil, petroleum, industrial development, mineral processing and other related activities. The primary and secondary purposes of the Company has been amended from mining to holding (see Note 1).

Management monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net income or loss and is measured consistently with the total comprehensive income in the financial statements.

The Company's assets are located in the Philippines (i.e., one geographical location). Therefore, geographical segment information is no longer presented.

13. Financial Instruments and Financial Risk Management Objectives and Policies

The Company's principal financial instruments consist of cash in bank and due to related parties. The main purpose of these financial instruments is to fund the Company's operations. The Company has other financial instruments such as accrued expenses which arise directly from its operations.

The carrying values of the Company's financial asset and liabilities per category are as follows:

	March 31, 2023	
	Financial asset at amortized cost	Financial liabilities at amortized cost
Cash in bank	P63,329	P-
Accrued expenses	-	531,520
Due to related parties	-	10,247,707
	P63,329	P10,779,227

	2022	
	Financial asset at amortized cost	Financial liabilities at amortized cost
Cash in bank	P63,313	P-
Accrued expenses	-	486,383
Due to related parties	-	8,671,755
	P63,313	P9,158,138

The BOD has overall responsibility for the establishment and oversight of the Company's risk management framework. The Group's risk management policies are established to identify and manage the Company's exposure to financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the Company's activities.

The main risks arising from the use of financial instruments are credit risk and liquidity risk. The Company's BOD reviews and approves the policies for managing each of these risks and they are summarized below:

Credit Risk

Credit risk represents the loss that the Company would incur if counterparties fail to perform their contractual obligations. The Company established controls and procedures on its credit policy to determine and monitor the credit worthiness of counterparties.

With respect to the credit risk from the Company's cash in bank, the exposure arises from the default of the counterparty. The Company's maximum exposure to credit risk is equal to the carrying amount of its cash in bank amounting to P63,313 and P139,047 as of December 31, 2022 and 2021, respectively.

Cash in bank are neither past due nor impaired and assessed by the Company as high quality financial assets as these are deposited with reputable bank duly approved by the BOD.

The Company has an assessment of ECL for its cash in bank. As of December 31, 2022 and 2021, the ECL relating to the said financial asset is minimal as these are deposited in reputable bank which are of good standing and are considered to have lower credit risk.

Liquidity Risk

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

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

The following summarize the Company's financial asset that can be used to manage its liquidity risk and the maturity profile of the Company's financial liabilities as of December 31, 2022 and 2021 based on contractual undiscounted payments:

March 31, 2023			
	On Demand	Within 1 Year	Total
Financial asset at amortized cost:			
Cash in bank	₱63,329	–	₱63,329
Cash on hand	100,000	–	100,000
	163,329	–	163,329
Financial liabilities at amortized cost:			
Accrued expenses*	–	531,520	531,520
Due to related parties	10,247,707	–	10,247,707
	10,247,707	531,520	10,779,227
Net Outflows	(₱10,247,707)	(₱531,520)	(₱10,779,227)
<i>*excluding withholding tax amounting to ₱4,000</i>			
2022			
	On Demand	Within 1 Year	Total
Financial asset at amortized cost:			
Cash in bank	₱63,313	–	₱63,313
Cash on hand	100,000	–	100,000
	163,313	–	163,313
Financial liabilities at amortized cost:			
Accrued expenses	–	482,383	482,383
Due to related parties	8,671,755	–	8,671,755
	8,671,755	482,383	9,154,138
Net Outflows	8,671,755	482,383	9,154,138

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, 2022 and 2021.

Fair Value Hierarchy

Cash in bank, accrued expenses and due to related parties are classified under Level 3 category under the fair value hierarchy. There were no transfers between levels in the fair value hierarchy in 2022 and 2021.

14. 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 2022:

VAT

The Company is a VAT-registered company with no VAT output tax declaration for the year ended December 31, 2022. The Company has no sales subject to VAT of 12% for the year ended December 31, 2022.

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 "General and administrative expenses" line item in the 2022 statement of comprehensive income.

National:	
PSE annual listing fee	₱250,000
BIR annual registration fee	500
Local:	
Permits and licenses	260,858
	₱511,358

Withholding Taxes

Withholding taxes paid and accrued by the Company in 2022 are as follows:

	Paid	Accrued
Withholding taxes on compensation and benefits	P-	P-
EWT	(9,263)	(4,000)
	(₱9,263)	(₱4,000)

Tax Assessments and Contingencies

The Company has no tax cases under preliminary investigation nor litigation and/or prosecution in courts or bodies outside of the administration of BIR as of December 31, 2022.

VULCAN INDUSTRIAL & MINING CORPORATION
INDEX TO THE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
AS OF DECEMBER 31, 2022

COMPANY FINANCIAL STATEMENTS

Statements of Financial Position as of December 31, 2022 and 2021

Statements of Comprehensive Income for the periods December 31, 2022, 2021 and 2020

Statements of Changes in Capital Deficiency for the periods December 31, 2022, 2021 and 2020

Statements of Cash Flows for the periods December 31, 2022, 2021 and 2020

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

VULCAN INDUSTRIAL & MINING CORPORATION
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2022

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 in Bank</i>				
Eastwest Banking Corporation		₱63,313	₱63,313	₱106
Revolving Fund		100,000	100,000	

VULCAN INDUSTRIAL & MINING CORPORATION
SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS,
EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS
(OTHER THAN RELATED PARTIES)
DECEMBER 31, 2022

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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—Not applicable—

VULCAN INDUSTRIAL & MINING CORPORATION
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES
WHICH ARE ELIMINATED DURING THE
CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2022

Name and Designation of Debtor	Balance at Beginning period	Additions	Amounts Collected/ Settlements	Amounts Written off	Current	Not Current	Balance at end of period
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–Not applicable–

VULCAN INDUSTRIAL & MINING CORPORATION
SCHEDULE D - LONG-TERM DEBT
DECEMBER 31, 2022

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—

VULCAN INDUSTRIAL & MINING CORPORATION
SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES
(LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2022

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

VULCAN INDUSTRIAL & MINING CORPORATION
SCHEDULE F - GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2022

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—

VULCAN INDUSTRIAL & MINING CORPORATION
SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 2022

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	4,000,000,000	992,497,120	–	228,552,783	4,238,120	759,706,217

VULCAN INDUSTRIAL & MINING CORPORATION
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND
DECLARATION (ANNEX 68-D)
AS OF DECEMBER 31, 2022

Deficit at January 1, 2022 (P995,869,028)

Add: Net income (loss) actually earned/realized during the period

Net loss during the period closed to Retained Earnings (5,339,871)

Net loss actually earned/realized during the period (5,339,871)

TOTAL RETAINED EARNINGS AVAILABLE FOR DIVIDEND
AS OF DECEMBER 31, 2022

P–

**The amount is zero since the reconciliation results to a deficit of P1,001,208,899 as at December 31, 2022.*

VULCAN INDUSTRIAL & MINING CORPORATION
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS (ANNEX 68-E)
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Ratio	Formula	2022	2021
Liquidity and Solvency Ratios:			
Current ratio	Total Current Assets Divided by: Total Current Liabilities	0.04:1	0.04:1
Quick ratio	(Cash + Receivables) Divided by: Total Current Liabilities	0.02:1	0.04:1
Solvency ratio	(Net Income + Depreciation) Divided by: Total Liabilities	(0.58:1)	(0.59:1)
Financial Leverage Ratios:			
Asset to equity ratio	Total Assets Divided by: Total Equity	(0.05:1)	(0.04:1)
Debt ratio	Total Liabilities Divided by: Total Assets	20.52:1	25.25:1
Debt to equity ratio	Total Liabilities Divided by: Total Equity	(1.05:1)	(1.04:1)
Interest coverage ratio	Net Income Before Tax Divided by: Interest Expense	–	–
Price earnings ratio	Current Share Price Divided by: Earnings Per Share	148.69:1	598.86:1
Profitability Ratios:			
Return on assets	Net Income Before Tax Divided by: Total Assets	(1,196%)	(1,498%)
Return on equity	Net Income Before Tax Divided by: Total Equity	(61%)	(62%)
Gross profit margin	Gross Income Divided by: Net Sales	0%	0%
Net profit margin	Net Income Divided by: Net Sales	0%	0%

VULCAN INDUSTRIAL & MINING CORPORATION
MAP SHOWING THE RELATIONSHIPS OF THE COMPANIES WITHIN
THE GROUP
AS OF DECEMBER 31, 2022
PURSUANT TO REVISED SRC RULE 68

—Not applicable—

Note: The Company does not have any subsidiary or associate as of
December 31, 2022

