COVER SHEET

CS200811530

SEC Registration Number

NICKEL ASIA CORPORATION AND SUBSIDIARIES

(Company's Full Name)

28th Floor NAC Tower, 32nd Street Bonifacio Global City, Taguig City

(Business Address: No. Street City/Town/Province)7

IRYAN JEAN U. PADILLO

(Contact Person)

(632) 8892-6669 / 7798-7622

(Company Telephone Number)

1	2		3	1

Month *Day*

(Calendar Year)

1	7	-	Q	

(Form Type)

0	6		1st Friday

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
91	**₱8,488.1 million**	**₱–**

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

S.E.C. Number CS200811530
File Number______

NICKEL ASIA CORPORATION
(Company's Full Name)

28th Floor NAC Tower, 32nd Street,
Bonifacio Global City, Taguig City
(Company's Address)

+63 2 8892 6669 / +63 2 7798 7622
(Telephone Numbers)

December 31
(Fiscal Year Ending)
(month & day)

SEC Form 17-Q Quarterly Report
Form Type

____
Amendment Delegation (If applicable)

For the Three Months Ended
March 31, 2024
Period Ended Date

____
(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended: **MARCH 31, 2024**
2. SEC Identification Number: **CS200811530**
3. BIR Tax Identification No.: **007-085-191-000**
4. Exact name of issuer as specified in its charter: **NICKEL ASIA CORPORATION**
5. Province, Country or other jurisdiction of incorporation or organization: **PHILIPPINES**
6. Industry Classification Code: ______ (SEC Use Only)
7. Address of principal office / Postal Code
   28th Floor NAC Tower, 32nd Street, Bonifacio Global City, Taguig City / **1634**
8. Issuer's telephone number, including area code: **+63 2 8892 6669 / +63 2 7798 7622**
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 SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	**13,931,125,094 shares**
Short and Long-term Debts	**Php8,488.1 million**

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

    If yes, state the name of such stock exchange and the classes of securities listed therein:
    PHILIPPINE STOCK EXCHANGE **COMMON STOCK**

12. Check whether the issuer:
    (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

    Yes [**X**] No [ ]

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

    Yes [**X**] No [ ]

NAC
NICKEL ASIA CORP.

Nickel Asia Corporation

Main Office:
28th Floor NAC Tower,
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Global City, Taguig City,
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May 14, 2024

Ms. Alexandra D. Tom Wong
Officer-in-Charge, Disclosure Department
Philippine Stock Exchange Tower,
5th Avenue corner 28th Street, BGC Taguig City

Mr. Vicente Graciano P. Felizmenio, Jr.
Director - Markets and Securities Regulation Department
Securities and Exchange Commission
Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City

Re : SEC Form 17-Q 2024 1st Quarter Report
x ==x

Gentlemen/Madam:

We submit to you herewith a copy of our Company's SEC Form 17-Q Quarterly Report for the period ended March 31, 2024.

We trust everything is in order.

Very truly yours,

Maria Angela G. Villamor
Senior Vice President and Chief Financial Officer

NICKEL ASIA CORPORATION

17-Q QUARTERLY REPORT

MARCH 31, 2024

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PART I – FINANCIAL INFORMATION

Item A. Financial Statements

The Unaudited Interim Condensed Consolidated Financial Statements as at March 31, 2024 (with Comparative Audited Statement of Financial Position as at December 31, 2023) and for the three-month period ended March 31, 2024 and 2023 are hereto attached.

The following tables set forth the summary financial information for the three-month period ended March 31, 2024 and 2023 and as at March 31, 2024 and December 31, 2023:

Summary Consolidated Statements of Income

	For the Three Months Ended March 31		Increase	Percent
	2024	2023	(Decrease)	Inc (Dec)
	(In Thousand Pesos)			
Revenues	₱2,660,829	₱4,042,374	(₱1,381,545)	-34%
Costs	(1,499,220)	(1,522,855)	(23,635)	-2%
Operating expenses	(622,815)	(723,932)	(101,117)	-14%
Finance income	158,244	109,160	49,084	45%
Finance expenses	(119,083)	(123,379)	(4,296)	-3%
Equity in net income (loss) of associates	(193,896)	252,120	(446,016)	-177%
Other income (charges) - net	173,679	(90,726)	264,405	291%
Provision for income tax - net	(172,814)	(452,640)	(279,826)	-62%
Net income	₱384,924	₱1,490,122	(₱1,105,198)	-74%
Net income attributable to:				
Equity holders of the parent	₱202,376	₱969,688	(₱767,312)	-79%
Non-controlling interests	182,548	520,434	(337,886)	-65%
	₱384,924	₱1,490,122	(₱1,105,198)	-74%

Summary Consolidated Statements of Financial Position

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)	Increase (Decrease)	Percent Inc (Dec)
	(In Thousand Pesos)			
Current assets	₱22,723,339	₱23,488,558	(₱765,219)	-3%
Noncurrent assets	35,349,480	34,438,251	911,229	3%
Total assets	₱58,072,819	₱57,926,809	₱146,010	0%
Current liabilities	₱9,651,123	₱9,990,199	(₱339,076)	-3%
Noncurrent liabilities	4,872,838	4,831,624	41,214	1%
Equity attributable to equity holders of the parent	36,520,103	36,258,779	261,324	1%
Non-controlling interests	7,028,755	6,846,207	182,548	3%
Total liabilities and equity	₱58,072,819	₱57,926,809	₱146,010	0%

Summary Consolidated Statements of Cash Flows

	For the Three Months Ended March 31		Increase	Percent
	2024	**2023**	**(Decrease)**	**Inc (Dec)**
	(In Thousand Pesos)			
Net cash flows from (used in):				
Operating activities	(₱428,187)	₱2,277,151	(₱2,705,338)	-119%
Investing activities	(1,358,245)	400,260	(1,758,505)	-439%
Financing activities	(205,447)	1,387,063	(1,592,510)	-115%
Net increase (decrease) in cash and cash equivalents	(1,991,879)	4,064,474	(6,056,353)	-149%
Cash and cash equivalents, beginning	15,482,465	10,809,026	4,673,439	43%
Cash and cash equivalents, end	₱13,490,586	₱14,873,500	(₱1,382,914)	-9%

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

RESULTS OF OPERATIONS

The following discussion and analysis are based on the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2024 and 2023, prepared in conformity with Philippine Accounting Standards 34, *Interim Financial Reporting* and included herein, and should be read in conjunction with those unaudited interim condensed consolidated financial statements.

Three months ended March 31, 2024 compared with three months ended March 31, 2023

Revenues

	2024	2023
	(In Thousands)	
Sale of ore and limestone	₱2,087,830	₱3,546,870
Services	323,071	272,210
Sale of power	249,928	223,294
	₱2,660,829	₱4,042,374

Revenues during the first quarter of 2024 were ₱2,660.8 million, lower by ₱1,381.6 million, or 34%, compared to ₱4,042.4 million during the same period last year.

Sale of Ore

Revenues from the sale of ore were down by 41% due to lower nickel ore prices resulting from the present oversupply situation facing the nickel industry.

The Group's operating mines sold a combined 2.61 million wet metric tons (WMT) of nickel ore during the first quarter of 2024, or 9% higher than last year's 2.39 million WMT. The weighted average nickel ore sales price during the period dropped by 48% to $13.84/WMT, compared with $26.80/WMT in the same period last year. The Group realized ₱56.13/US$ from these nickel ore sales, a 2% increase from ₱54.80/US$ year-on-year.

Breaking down the ore sales, the Group exported 0.61 million WMT of saprolite ore at an average price of $25.57/WMT during the first quarter of 2024, compared to 0.60 million WMT at $50.37/WMT in the same period last year. Likewise, the Group delivered 2.00 million WMT of limonite ore to the Coral Bay and Taganito High-Pressure Acid Leach (HPAL) plants, realizing an average price of $7.53 per pound of payable nickel. This compares to 1.79 million WMT at $11.98 per pound of payable nickel during the first quarter of 2023. Expressed in US$ per WMT, deliveries to the two HPAL plants generated $10.27 and $18.84 in the first quarters of 2024 and 2023, respectively.

On a per mine basis, the Group's Rio Tuba mine exported 0.61 million WMT of saprolite ore and delivered 0.72 million WMT of limonite ore to the Coral Bay processing plant during the first quarter of 2024. This compares to sales of 0.60 million WMT of saprolite ore and 0.78 million WMT of limonite ore to the Coral Bay processing plant during the same period last year.

The Group's Taganito mine delivered 1.27 million WMT of limonite ore to the Taganito processing plant during the first quarter of 2024. Compared to the same period last year, there were 1.01 million WMT of limonite ore delivered to the Taganito processing plant.

Sale of Limestone
Limestone deliveries to Coral Bay Nickel Corporation (CBNC) jumped by 78%, resulting in an increase in revenue from the sale of limestone during the first quarter of 2024, which was higher by 78% at ₱58.7 million, compared to ₱32.9 million during the same period last year.

Services
Service revenue consists mainly of payments for the hauling, manpower, and other ancillary services that CDTN Services Company Inc. and Taganito Mining Corporation (TMC) provide to CBNC, Taganito HPAL Nickel Corporation (THNC), and other third parties. This also includes the usage fee charged by TMC to THNC for the use of its pier facility. Service revenue was higher by ₱50.9 million from ₱272.2 million to ₱323.1 million, mainly because of the increase in equipment rental related to the stabilization of CBNC's TSF-3 project.

Sale of Power
Revenue from the sale of power during the first quarter of 2024 amounted to ₱249.9 million, or 12% higher than last year's ₱223.3 million. Despite the 5% decrease in the year-on-year average effective price, from Php5.04/kilowatt hour (kWh) to Php4.77/kWh, the combined generation volume of the Group's power plants was higher by 21%, or 7.73 million kWh, owing to higher demand compared to the same period last year.

Costs
Costs went down by 2%, or ₱23.6 million, from ₱1,522.9 million to ₱1,499.2 million.

	2024	2023
	(In Thousands)	
Cost of sales	₱1,161,685	₱1,225,332
Services	204,987	176,431
Power generation	132,548	121,092
	₱1,499,220	₱1,522,855

Cost of Sales
Generally, the production cost during the current period was higher than last year on account of the higher volume handled by the contractors, and some of the mines exceeded their target volume for material movement in preparation for the loading season during the second quarter of the current period. However, most of these materials remained in inventory as of the end of the first quarter, so the cost of sales was lower compared to the same period last year.

Cost of Services
In the prior year, the materials handling activities of the Group started during the second quarter. Compared to the current period, it started as early as the first quarter of the year, so the cost of services rose by 16% from ₱176.4 million to ₱205.0 million.

Cost of Power Generation
The cost of power generation went up by 9% to ₱132.5 million from ₱121.1 million because of higher generation volume, which increased by 21% compared to the same period in the year prior, due to higher demand and higher power consumption.

Operating Expenses

	2024	2023
	(In Thousands)	
General and administrative	₱319,991	₱319,878
Shipping and loading costs	159,550	174,089
Excise taxes and royalties	143,274	229,965
	₱622,815	₱723,932

General and Administrative
General and administrative expenses were almost the same in both periods, at around ₱320.0 million. Taxes related to the land acquisition of San Isidro Solar Power Corporation and the documentary stamp tax on loans/advances increased. However, since no donations were made in the current period compared to the ₱25.0 million in the year prior, the increase in taxes was almost offset.

Shipping and Loading Costs
Shipping and loading costs were down by 8%. During the first quarter of the prior year, additional LCTs were rented because two of RTN's barges were under maintenance, thus the higher cost. Moreover, TMC's loading activities in the prior year started as early as March, while loading in the current period started in the second quarter.

Excise Taxes and Royalties
Excise taxes and royalties slid by 38% to ₱143.3 million from ₱230.0 million, mainly on account of the 41% decline in revenue from the sale of nickel ore and limestone because of lower nickel ore prices during the first quarter of 2024.

Finance Income
Finance income significantly improved by 45% to ₱158.2 million from ₱109.2 million because of the improvements in short-term cash investment rates, around 4.55% during the first quarter of the current year, compared to around 3.63% during the same period last year.

Finance Expenses
Finance expenses dropped by 3% during the first quarter of 2024 on account of higher capitalized borrowing costs during the current period.

Equity in Net Income (Loss) of Associates
The Parent Company registered a loss from its equity interests in the two HPAL plants in the combined amount of ₱193.9 million during the current period against a profit of ₱252.1 million the year prior, or a decrease of 177%. The net loss incurred by the HPAL plants was due to lower metal prices for nickel and cobalt year-on-year.

Other Income (Charges) - Net
Other income - net was at ₱173.7 million during the current period, compared to charges of ₱90.7 million during the same period last year. In the first quarter of 2024, the Group recognized net foreign exchange gains of ₱136.2 million, a significant turnaround from last year's ₱201.6 million losses due to weak peso as against the US dollar since the foreign exchange rate increased by 3% year-on-year. However, the increase in foreign exchange gains was partially offset by the decrease in valuation gains from investments by ₱32.5 million.

Provision for Income Tax - Net
As a result of the above, the taxable income during the current period was lower compared to the same period last year, so the net provision for income tax was lower by 62%.

Net Income
As a result of the foregoing, the consolidated net income was ₱384.9 million during the first quarter of 2024, compared to ₱1,490.1 million during the same period last year. Net of non-controlling interests, the net income attributable to the equity holders of the parent for the first quarter of the current year amounted to ₱202.4 million, compared to ₱969.7 million during the same period last year.

STATEMENT OF FINANCIAL POSITION
Total assets as of March 31, 2024, were ₱58,072.8 million, compared to ₱57,926.8 million as of December 31, 2023. Current assets slid by 3% to ₱22,723.3 million from ₱23,488.6 million, while noncurrent assets rose from ₱34,438.3 million to ₱35,349.5 million, mainly due to acquisitions of property and equipment, including advances and downpayments made to suppliers, and payments of interest on loans.

Current liabilities were lower by 3%, from ₱9,990.2 million to ₱9,651.1 million, due to the settlement of outstanding payables to suppliers during the first quarter of the current year.

Noncurrent liabilities of ₱4,872.8 million were slightly higher by 1% than the end of last year's ₱4,831.6 million due to the additional accruals of employees' retirement benefits.

The equity net of non-controlling interests increased by 1% to ₱36,520.1 million due to the net effect of earnings during the current period.

STATEMENT OF CASH FLOWS
During the first quarter of 2024, the Group's net cash flows used in operating activities amounted to ₱428.2 million as against the net cash flows from operations in the year prior of ₱2,277.2 million since collections from the sale of ore in the current period were lower on account of lower revenue compared to the year prior.

For the investment activities, the Group spent significant capital expenditures, primarily for the construction of the Dinapigue causeway, and the re-fleeting of mining equipment, during the first quarter of the current year, which amounted to ₱1,308.1 million compared to ₱1,219.7 million during the same period last year. However, in the year prior, the Parent Company disposed of some of its investments to minimize the risk and to have immediately available funds. As a result, the Group received higher net cash from investments during the first quarter of 2023 and lower in 2024.

The Group is in a positive cash position for its financing activities during the first quarter of 2023 due to the additional bank loans obtained by Emerging Power Inc. (EPI) from Security Bank Corporation (SBC) amounting to ₱1,486.6 million, net of debt issue costs. Compared to the current period, the Group only drew ₱17.7 million bank loans for the construction of the causeway. Financing activities during the first quarter of 2024 pertain mainly to payments of interest on loans, which were higher in the current period due to the higher loan principal.

As of March 31, 2024 and 2023, cash and cash equivalents amounted to ₱13,490.6 million and ₱14,873.5 million, respectively.

KEY PERFORMANCE INDICATORS

1) ***TOTAL COST PER VOLUME SOLD***

The total cost per volume of ore sold provides a cost profile for each operating mine and allows us to measure and compare operating performance as well as changes in per unit costs from period to period.

The total cost includes the cost of sale of ore, shipping and loading costs, excise taxes and royalties, general and administrative and marketing incurred by the Group.

The average cost per volume of nickel ore sold for the first quarter of 2024 was ₱625.56/WMT based on aggregate costs of ₱1,633.9 million and total sales volume of 2.61 million WMT of ore. This compares to ₱770.74/WMT during the first quarter of 2023 based on aggregate costs of ₱1,844.0 million and total sales volume of 2.39 million WMT of ore.

2) ***ATTRIBUTABLE NET INCOME***

Attributable net income represents the portion of consolidated profit or loss for the period, net of income taxes, which is attributable to the Parent Company. This is a relevant and transparent metric of the information contained in the consolidated financial statements. The income attributable to equity holders of the Parent Company for the first quarter of 2024 was ₱202.4 million compared to ₱969.7 million in the same period last year.

3) ***NUMBER OF HECTARES OF OPEN AREA PER MILLION WMT SOLD***

The Group adheres to the principles and practices of sustainable development. The Group is committed to complying with and following environmental regulations by implementing best practices in managing the environmental impact of its operations. In 2018, the Department of Environment and Natural Resources (DENR), through the issuance of DENR Administrative Order (DAO) No. 2018-20, prescribes Guidelines for Additional Environmental Measures for Operating Surface Metallic Mines and provides limits of maximum disturbed areas for nickel mines depending on the scale of their mining operations. The DAO also requires that temporary revegetation be immediately implemented on the disturbed areas. During the first quarters of 2024 and 2023, there were around 98 and 126 open hectares per million WMT sold, respectively.

4) FREQUENCY RATE

Health and safety are integral parts of the Group's personnel policies. Its comprehensive safety program is designed to minimize risks to health arising out of work activities and to assure compliance with occupational health and safety standards and rules and regulations that apply to its operations. The Group measures our safety effectiveness through the Frequency Rate which is the ratio of lost-time accidents to total million man-hours worked for the period. The Group's frequency rate was nil for both the first quarters of 2024 and 2023.

Recent Developments

- On February 28, 2024, Jobin-SQM, Inc. (JSI) received the Provisional Certificate of Approval to Connect - Subic Photovoltaic Phase 4A - 72 megawatts (MW) from the National Grid Corporation of the Philippines, subject to the completion of certain conditions. In the same month, JSI successfully activated the additional 72MW solar capacity at its facility located at Sta. Rita, Subic Bay Freeport Zone, Zambales, thereby expanding its capacity to 172MW.
- Pre-development activities on Northern Palawan Power Generation Corporation's solar project in Subic-Cawag are almost complete, with construction of the proposed 145MW plant expected to begin by the third quarter of 2024 and target commercial operations by the fourth quarter of 2025.
- The construction of the Dinapigue causeway project is currently underway and expected to be completed in the second quarter of 2024.
- On May 3, 2024, the Department of Energy (DOE) notified Mindoro Geothermal Power Corporation (MGPC) that GRESC No. 2016-02-060 between the DOE and MGPC was terminated due to the latter's delay in complying with its work commitments under the approved Work Program for the years 2021 to 2023. MGPC will appeal the termination of the service contract.

Liquidity and Capital Resources

As at March 31, 2024 and December 31, 2023, the Group's principal source of liquidity was cash from operations. TMC incurred long-term debt to finance the construction of the Taganito pier facilities. TMC receives income from THNC under a throughput agreement for the use of the pier facilities. The revenues that TMC receives from THNC under the throughput agreement have typically been sufficient to service its long-term debt. In addition, the Group also incurred long-term debts to finance the solar project of JSI, the geothermal exploration and evaluation assets of MGPC and the permanent causeway of Dinapigue Mining Corporation (DMC). Any revenue that will be earned by JSI, MGPC and DMC upon start of or during their commercial operations will be used to pay-off the debt.

As at March 31, 2024 and December 31, 2023, the Group's working capital, defined as the difference between the current assets and current liabilities, was ₱13,072.2 million and ₱13,498.4 million, respectively. The Company expects to meet the working capital, capital expenditure and investment requirements from the cash flow coming from operations and pay-off the debts that the Group incurred to finance the construction of pier facilities at the Taganito properties, the construction of the permanent causeway in Dinapigue, and the solar project and other project development costs of EPI and JSI. The Group may also from time to time seek other sources of funding, which may include debt or equity financing, depending on the financing needs and market conditions.

Qualitative and Quantitative Disclosures about Market Risk

Commodity Price Risk

The price of nickel is subject to fluctuations driven primarily by changes in global demand and global production of similar and competitive mineral products. This, therefore, required the Group to change the pricing mechanism on the sale of saprolite ore to Japanese customers, which was traditionally linked to London Metal Exchange (LME) prices, to a negotiated price per WMT of ore, similar to the pricing of ore to China. The price of limonite ore is closely correlated to the international iron ore price index. The prices of nickel ore delivered to CBNC and THNC are determined based on a payable percentage of the nickel contained in the ore delivered and a formula related to LME prices over the period the nickel ore was delivered. To mitigate the impact of such price movements, the Company may opt to enter commodity put option contracts.

Foreign Currency Risk
The foreign currency risk results primarily from movements of the peso against the US$ on transactions in currencies other than the Peso. Such exposure arises mainly from cash and cash equivalents, financial assets in debt and equity securities, long-term debt and sales of beneficiated nickel ore denominated in US$. Because almost all the revenues are earned in US$ while most of the expenses are paid in Peso, appreciation of the Peso against the US$ effectively reduces the revenue without a corresponding reduction in the expenses and can result in a reduction in the net income. In addition, because a portion of the cash and cash equivalents, financial assets in debt and equity securities and long-term debt are denominated in US$, the appreciation of the peso against the US dollar reduces the value of the total assets and liabilities in peso terms in the consolidated financial statements.

To mitigate the effect of foreign currency risk, the Group will seek to accelerate the collection of foreign currency-denominated receivables and the settlement of foreign-currency denominated payables, whenever practicable. Also, foreign exchange movements are monitored daily.

Equity Price Risk
Equity price risk is the risk to earnings or capital arising from changes in stock prices relating to the quoted equity securities owned by the Group. The Group's exposure to equity price risk relates primarily to the financial assets in various stocks of listed companies.

The Group's policy is to maintain the risk to an acceptable level. Movement in the share price and market value of the assets are monitored regularly to determine the impact on the financial position.

Seasonality of Operations
Mining operations at the majority of the Group's mines are often unable to load ore into shipping vessels during the rainy season. This seasonality results in quarter-to-quarter volatility in the Group's operating results with more revenue being earned and more expenses being incurred in the second and third fiscal quarters than in the first and fourth fiscal quarters.

Off-balance Sheet Arrangements
Under the Suretyship Agreement executed by and between the Parent Company and SBC on August 4, 2015, the Parent Company solidarily with EPI guarantees and warrants to SBC, its assigns and successors-in-interest, prompt and full payment and performance of EPI's obligations to SBC.

On August 2, 2021, JSI entered into an Omnibus Loan and Security Agreement to document the syndicated loan with two (2) banks as lenders, i.e., Industrial and Commercial Bank of China and SBC, with the Parent Company forming part of the Share Collateral Security Grantors and Sponsors together with EPI and TBEA International Engineering Co., Ltd. The principal loan will be used to partly refinance the shareholders loans used for the Phase 3A and 3B expansions. Payment of the loan shall be secured by chattel mortgage on all project assets, mortgage over the leasehold rights with Subic Bay Metropolitan Authority, and the pledge of shares of stocks of JSI.

Other than those mentioned above, the Parent Company has not entered any off-balance sheet transactions or obligations (including contingent obligations), or other relationships with unconsolidated entities or other persons.

Known Trends, Events, or Uncertainties

Cancellation of Hinatuan Mining Corporation's (HMC) Mineral Production Sharing Agreement (MPSA)

On February 13, 2017, HMC, a wholly owned subsidiary of the Parent Company, received a letter from the DENR stating that its MPSA in Taganaan Island, Surigao is being cancelled due to alleged violations of Republic Act No. 7942 or the Philippine Mining Act of 1995 as a result of the audit conducted in July 2016. On February 17, 2017, HMC filed a Notice of Appeal with the Office of the President. It is the Parent Company's position that there are no legal and technical grounds to support the cancellation of HMC's MPSA.

The Parent Company will pursue all legal remedies to overturn the said order because of due process violations and the absence of any basis that would warrant a suspension of HMC's operations, much less the cancellation of its MPSA. HMC has no ore shipment during the first quarters of 2024 and 2023.

Termination of MGPC's GRESC No. 2016-02-060

On May 3, 2024, the DOE notified MGPC that GRESC No. 2016-02-060 between the DOE and MGPC was terminated due to the latter's delay in complying with its work commitments under the approved Work Program for the years 2021 to 2023. MGPC will appeal the termination of the service contract.

As at March 31, 2024, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Group;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Group's short-term or long-term liquidity;
- 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;
- Significant elements of income or loss that did not arise from the Group's continuing operations;
- Seasonal aspects that had a material impact on the Group's results of operations; and
- Material changes in the financial statements of the Group for the periods ended March 31, 2024 and December 31, 2023, except those mentioned in the preceding.
- Known event that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation that have not been booked, although the Group could be contingently liable for lawsuits and claims arising from the ordinary course of business, which contingencies are not presently determinable.

NICKEL ASIA CORPORATION AND SUBSIDIARIES
PART II - FINANCIAL SOUNDNESS INDICATORS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

Ratios	Formula	**2024**	2023
A. *Liquidity analysis ratios*			
Current ratio or working capital ratio	Current assets / Current liabilities	**2.35**	3.30
Quick ratio	Current assets - Inventories - Prepayments and other current assets / Current liabilities	**1.75**	2.65
Solvency ratio	Total assets / Total liabilities	**4.00**	4.69
B. *Financial leverage ratios*			
Debt ratio	Total liabilities / Total assets	**0.25**	0.21
Debt-to-equity ratio	Total liabilities / Total equity	**0.33**	0.27
Asset-to-equity ratio	Total assets / Total equity	**1.33**	1.27
Interest coverage ratio	Earnings before interest and taxes / Interest expense	**2.90**	17.84
C. *Profitability ratios*			
Net profit margin	Net income / Revenue	**0.14**	0.37
Return on assets	Net income / Total assets	**0.01**	0.03
Return on equity	Net income / Total equity	**0.01**	0.04
Gross profit margin	Sales - Costs / Revenue	**0.44**	0.62
Price/earnings ratio	Price per share / Earnings Per Share	**400.00**	96.43

SIGNATURES

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

Issuer: **NICKEL ASIA CORPORATION**

By:

Martin Antonio G. Zamora
President and Chief Executive Officer

May 14, 2024

Maria Angela G. Villamor
Senior Vice President and Chief Financial Officer

May 14, 2024

NICKEL ASIA CORPORATION
SEC FORM 17-Q
INDEX TO FINANCIAL STATEMENTS
MARCH 31, 2024

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NICKEL ASIA CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2024
(With Comparative Audited Figures as at December 31, 2023)
(Amounts in Thousands)

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱13,490,586**	₱15,482,465
Trade and other receivables (Notes 5 and 29)	**1,551,564**	1,571,932
Inventories (Note 6)	**3,715,857**	3,037,699
Financial assets at (Note 7):		
Fair value through profit or loss (FVTPL)	**1,313,097**	1,291,477
Fair value through other comprehensive income (FVOCI)	**484,939**	469,914
Amortized cost	**35,000**	35,000
Prepayments and other current assets	**2,132,296**	1,600,071
Total Current Assets	**22,723,339**	23,488,558
Noncurrent Assets		
Property and equipment (Note 8)	**19,564,999**	18,692,297
Investments in associates (Note 9)	**5,360,995**	5,484,980
Geothermal exploration and evaluation assets (Note 10)	**1,900,353**	1,896,637
Financial assets at - net of current portion (Note 7):		
FVTPL	**971,523**	968,493
Amortized cost	**375,000**	375,000
Deferred income tax assets - net	**425,049**	439,600
Other noncurrent assets	**6,751,561**	6,581,244
Total Noncurrent Assets	**35,349,480**	34,438,251
TOTAL ASSETS	**₱58,072,819**	₱57,926,809
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 11 and 29)	**₱2,491,858**	₱2,940,279
Short-term debts (Note 12)	**5,839,588**	5,848,095
Income tax payable	**431,229**	321,993
Current portion of:		
Long-term debt (Notes 12 and 29)	**332,521**	345,764
Lease liabilities (Note 30)	**42,205**	54,346
Other current liability	**513,722**	479,722
Total Current Liabilities	**9,651,123**	9,990,199
Noncurrent Liabilities		
Noncurrent portion of:		
Long-term debts (Notes 12 and 29)	**2,316,040**	2,341,836
Lease liabilities (Note 30)	**789,102**	779,075
Deferred income	**32,472**	33,519
Provision for mine rehabilitation and decommissioning (Note 13)	**916,547**	909,551
Pension liability	**429,383**	388,720
Deferred income tax liabilities	**389,294**	378,923
Total Noncurrent Liabilities	**4,872,838**	4,831,624
Total Liabilities	**14,523,961**	14,821,823

(Forward)

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Equity Attributable to Equity Holders of the Parent		
Capital stock (Note 14)	**₱6,999,974**	₱6,999,974
Additional paid-in capital (Note 14)	**9,205,802**	9,205,802
Other components of equity:		
Share in cumulative translation adjustment (Note 9)	**928,609**	869,185
Cost of share-based payment plan (Note 15)	**154,296**	154,296
Asset revaluation surplus	**29,704**	29,799
Net valuation losses on financial assets at FVOCI	**(1,791)**	(1,315)
Retained earnings:		
Unappropriated	**19,202,523**	19,000,052
Appropriated (Note 14)	**135,000**	135,000
Treasury stock (Note 14)	**(134,014)**	(134,014)
	36,520,103	36,258,779
Non-controlling Interests (NCI)	**7,028,755**	6,846,207
Total Equity	**43,548,858**	43,104,986
TOTAL LIABILITIES AND EQUITY	**₱58,072,819**	₱57,926,809

See accompanying Notes to Unaudited Consolidated Financial Statements.

NICKEL ASIA CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Amounts in Thousands, Except Earnings per Share)

	2024	2023
	(Unaudited)	
REVENUES (Notes 28 and 29)		
Sale of ore and limestone	**₱2,087,830**	₱3,546,870
Services	**323,071**	272,210
Sale of power	**249,928**	223,294
	2,660,829	4,042,374
COSTS		
Cost of sales (Note 17)	**1,161,685**	1,225,332
Services (Note 18)	**204,987**	176,431
Power generation (Note 19)	**132,548**	121,092
	1,499,220	1,522,855
OPERATING EXPENSES		
General and administrative (Note 20)	**319,991**	319,878
Shipping and loading costs (Note 21)	**159,550**	174,089
Excise taxes and royalties (Note 22)	**143,274**	229,965
	622,815	723,932
FINANCE INCOME (Note 25)	**158,244**	109,160
FINANCE EXPENSES (Note 26)	**(119,083)**	(123,379)
EQUITY IN NET INCOME (LOSS) OF ASSOCIATES (Note 9)	**(193,896)**	252,120
OTHER INCOME (CHARGES) – net (Note 27)	**173,679**	(90,726)
INCOME BEFORE INCOME TAX	**557,738**	1,942,762
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 31)		
Current	**158,379**	491,539
Deferred	**14,435**	(38,899)
	172,814	452,640
NET INCOME	**₱384,924**	₱1,490,122
Net income attributable to:		
Equity holders of the parent	**₱202,376**	₱969,688
NCI	**182,548**	520,434
	₱384,924	₱1,490,122
Basic/Diluted Earnings Per Share (EPS; Note 16)	**₱0.01**	₱0.07

See accompanying Notes to Unaudited Consolidated Financial Statements.

NICKEL ASIA CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Amounts in Thousands)

	2024	2023
	(Unaudited)	
NET INCOME	**₱384,924**	₱1,490,122
OTHER COMPREHENSIVE INCOME (LOSS)		
Other comprehensive income (loss) to be reclassified to consolidated statements of income in subsequent periods:		
Share in translation adjustment of associates	**59,424**	(617,681)
Net valuation gains (losses) on financial assets at FVOCI	**(476)**	3,542
Net other comprehensive income (loss) to be reclassified to consolidated statements of income in subsequent periods	**58,948**	(614,139)
Other comprehensive loss not to be reclassified to consolidated statements of income in subsequent periods:		
Asset revaluation surplus	**(95)**	(95)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS) - NET OF TAX	**58,853**	(614,234)
TOTAL COMPREHENSIVE INCOME - NET OF TAX	**₱443,777**	₱875,888
Total comprehensive income attributable to:		
Equity holders of the parent	**₱261,229**	₱355,454
NCI	**182,548**	520,434
	₱443,777	₱875,888

See accompanying Notes to Unaudited Consolidated Financial Statements.

NICKEL ASIA CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Amounts in Thousands)

	Equity Attributable to Equity Holders of the Parent											
							Retained Earnings					
	Capital Stock (Note 14)	Additional Paid-in Capital	Share in Cumulative Translation Adjustment (Note 9)	Cost of Share-based Payment Plan (Note 15)	Asset Revaluation Surplus	Net Valuation Losses on Financial Assets at FVOCI (Note 7)	Unappropriated	Appropriated (Note 14)	Treasury Stock (Note 14)	Total	NCI	Total
Balances at December 31, 2023	**₱6,999,974**	**₱9,205,802**	**₱869,185**	**₱154,296**	**₱29,799**	**(₱1,315)**	**₱19,000,052**	**₱135,000**	**(₱134,014)**	**₱36,258,779**	**₱6,846,207**	**₱43,104,986**
Net income	–	–	–	–	–	–	**202,376**	–	–	**202,376**	**182,548**	**384,924**
Other comprehensive income (loss) - net of tax	–	–	**59,424**	–	**(95)**	**(476)**	–	–	–	**58,853**	–	**58,853**
Total comprehensive income (loss)	–	–	**59,424**	–	**(95)**	**(476)**	**202,376**	–	–	**261,229**	**182,548**	**443,777**
Asset revaluation surplus transferred to retained earnings	–	–	–	–	–	–	**95**	–	–	**95**	–	**95**
Balances at March 31, 2024 (Unaudited)	**₱6,999,974**	**₱9,205,802**	**₱928,609**	**₱154,296**	**₱29,704**	**(₱1,791)**	**₱19,202,523**	**₱135,000**	**(₱134,014)**	**₱36,520,103**	**₱7,028,755**	**₱43,548,858**

See accompanying Notes to Unaudited Consolidated Financial Statements.

	Equity Attributable to Equity Holders of the Parent											
	Capital Stock	Additional Paid-in Capital	Share in Cumulative Translation Adjustment	Cost of Share-based Payment Plan	Asset Revaluation Surplus	Net Valuation Gains (Losses) on Financial Assets at FVOCI	Retained Earnings Unappropriated	Retained Earnings Appropriated (Note 14)	Treasury Stock (Note 14)	Total	NCI	Total
Balances at December 31, 2022	₱6,849,836	₱8,271,900	₱1,400,235	₱522,837	₱30,182	(₱5,934)	₱18,618,593	₱135,000	(₱134,014)	₱35,688,635	₱4,842,184	₱40,530,819
Net income	–	–	–	–	–	–	969,688	–	–	969,688	520,434	1,490,122
Other comprehensive income (loss) - net of tax	–	–	(617,681)	–	(95)	3,542	–	–	–	(614,234)	–	(614,234)
Total comprehensive income (loss)	–	–	(617,681)	–	(95)	3,542	969,688	–	–	355,454	520,434	875,888
Asset revaluation surplus transferred to retained earnings	–	–	–	–	–	–	95	–	–	95	–	95
Balances at March 31, 2023 (Unaudited)	₱6,849,836	₱8,271,900	₱782,554	₱522,837	₱30,087	(₱2,392)	₱19,588,376	₱135,000	(₱134,014)	₱36,044,184	₱5,362,618	₱41,406,802

See accompanying Notes to Unaudited Consolidated Financial Statements.

NICKEL ASIA CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Amounts in Thousands)

	2024	2023
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱557,738**	₱1,942,762
Adjustments for:		
Depreciation, amortization, and depletion (Notes 8 and 24)	**537,070**	419,462
Equity in net loss (income) of associates (Note 9)	**193,896**	(252,120)
Interest income (Note 25)	**(158,244)**	(109,160)
Interest expense (Notes 12 and 26)	**85,721**	95,947
Movements in:		
Pension liability	**27,621**	33,976
Deferred income	**(1,048)**	(1,048)
Accretion of interest on:		
Lease liabilities (Notes 26 and 30)	**17,829**	13,728
Provision for mine rehabilitation and decommissioning (Notes 13 and 26)	**6,996**	5,694
Dividend income (Notes 7 and 27)	**(14,697)**	(1,002)
Loss (gain) on:		
Changes in fair value of financial assets at FVTPL (Notes 7 and 27)	**2,959**	(29,559)
Sale of property and equipment (Note 27)	**2,922**	(13,365)
Unrealized foreign exchange losses (gains) - net	**(5,585)**	5,856
Operating income before working capital changes	**1,253,178**	2,111,171
Decrease (increase) in:		
Inventories	**(678,158)**	(350,558)
Prepayments and other current assets	**(581,368)**	(565,374)
Trade and other receivables	**35,145**	973,704
Increase (decrease) in trade and other payables	**(456,984)**	108,208
Net cash flows from (used in) operating activities	**(428,187)**	2,277,151
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment (Note 8)	**(1,308,084)**	(1,219,695)
Financial assets at (Note 7):		
FVTPL	**(505,434)**	(272,588)
FVOCI	**(67,495)**	(1,637)
Proceeds from sale of:		
Financial assets at (Note 7):		
FVTPL	**494,828**	2,301,780
FVOCI	**51,994**	33,944
Property and equipment	**714**	13,374
Increase in:		
Other noncurrent assets	**(179,216)**	(554,436)
Geothermal exploration and evaluation assets	**(3,716)**	(2,414)
Interest received	**144,617**	100,674
Dividends received	**13,547**	1,258
Net cash flows from (used in) investing activities	**(1,358,245)**	400,260

(Forward)

	2024	2023
	(Unaudited)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Interest	**(₱147,199)**	(₱58,674)
Long-term debts	**(69,768)**	(29,500)
Debt issue cost, short-term debts	**(20,258)**	–
Principal portion of lease liabilities (Note 30)	**(19,943)**	(11,399)
Increase in other current liability	**34,000**	–
Proceeds from availment of:		
Long-term debts, net of debt issue costs	**17,721**	–
Short-term debts, net of debt issue costs	–	1,486,636
Net cash flows from (used in) financing activities	**(205,447)**	1,387,063
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(1,991,879)**	4,064,474
CASH AND CASH EQUIVALENTS AT JANUARY 1	**15,482,465**	10,809,026
CASH AND CASH EQUIVALENTS AT MARCH 31 (Note 4)	**₱13,490,586**	₱14,873,500

See accompanying Notes to Unaudited Consolidated Financial Statements.

NICKEL ASIA CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in Thousands, Except Number of Shares, Per Share Data and as Indicated)

1. Corporate Information

Nickel Asia Corporation (NAC; Ultimate Parent Company, Parent Company) was registered with the Philippine Securities and Exchange Commission (SEC) on July 24, 2008. The Parent Company is primarily engaged in investing in and holding of assets of every kind and description and wherever situated, as and to the extent permitted by law. It is also registered, within the limits prescribed by law, to engage in the business of mining of all kinds of ore, metals and minerals and in the business of generation, transmission, distribution and supply of electricity to cities and other localities and to the public in general.

The common shares of the Parent Company were listed on the Philippine Stock Exchange (PSE) on November 22, 2010.

The registered office address of the Parent Company is at 28th floor NAC Tower, 32nd Street, Bonifacio Global City, Taguig City.

<u>The Subsidiaries</u>

Hinatuan Mining Corporation (HMC)
HMC was registered with the SEC on October 9, 1979, is a 100% owned subsidiary of the Parent Company and is primarily engaged in the exploration, mining and exporting of nickel ore located in Hinatuan Island, Surigao del Norte and Manicani Island, Eastern Samar. HMC is also engaged in the chartering out of Landing Craft Transport (LCT) and providing complete marine services.

Cagdianao Mining Corporation (CMC)
CMC was registered with the SEC on July 25, 1997, is a 100% owned subsidiary of the Parent Company and is primarily engaged in the exploration, mining and exporting of nickel ore located in Barangay Valencia, Municipality of Cagdianao, Province of Dinagat Islands.

Dinapigue Mining Corporation (DMC)
DMC was registered with the SEC on October 9, 1998, is a 100% owned subsidiary of the Parent Company and is primarily engaged in the exploration, exploitation and mining of metallic and non-metallic minerals, including, but not limited to, nickel, iron, cobalt, chromite and other associated mineral deposits in Dinapigue, Isabela. DMC started its commercial operation in 2022.

Samar Nickel Mining Resources Corporation (SNMRC)
SNMRC was registered with the SEC on March 11, 2010, is a 100% owned subsidiary of the Parent Company and is primarily engaged in the exploration, mining and exporting of mineral ores. SNMRC has not yet started commercial operations.

CDTN Services Company Inc. (CDTN)
CDTN was registered with the SEC on December 21, 2020, is a 100% owned subsidiary of the Parent Company and is primarily engaged in general engineering construction, contracting

and machinery, and supply sales business in all its phases, extend and receive any contracts or assignments or contracts related thereto or connected therewith, and manufacture and furnish building materials and supplies. It is also engaged in the handling of materials in connection with construction or manufacturing, warehousing, distribution or disposal activities, or other similar activities.

Coral Pearl Developments Limited (CPDL)
CPDL was incorporated on June 18, 2019 in the British Virgin Islands (BVI) under the BVI Business Companies Act 2004, is a 100% owned subsidiary of the Parent Company and is primarily engaged in the leasing of aircraft.

La Costa Shipping and Lighterage Corporation (LCSLC)
LCSLC was registered with the SEC on October 23, 1992, is a 100% owned subsidiary of the Parent Company through HMC and is primarily engaged in the chartering out of LCT and providing complete marine services. In May 2014, the Board of Directors (BOD) of LCSLC authorized the sale of all of its LCTs to HMC.

Falck Exp Inc. (FEI)
FEI was registered with the SEC on November 22, 2005, is an 88% owned subsidiary of the Parent Company through HMC, CMC and Taganito Mining Corporation (TMC), and is primarily engaged in the business of exploring, prospecting and operating mines and quarries of all kinds of ores and minerals, metallic and non-metallic. On August 8, 2014, the BOD of FEI approved the immediate dissolution of FEI. Thereafter, the liquidation process commenced and as a result, FEI changed from going concern to liquidation basis of accounting. On November 17, 2016, the termination of FEI's registration with the Bureau of Internal Revenue was approved. Final dissolution will take place after the approval of FEI's application with the SEC. As at May 14, 2024, FEI is still waiting for the approval of the SEC.

Cordillera Exploration Co., Inc. (CEXCI)
CEXCI was registered with the SEC on October 19, 1994, is a 71.25% owned subsidiary of the Parent Company and is primarily engaged in the business of large-scale exploration, development and utilization of mineral resources. CEXCI has a number of mining properties at various stages of exploration. CEXCI is currently not engaged in any development or commercial production activities.

Newminco Pacific Mining Corporation (Newminco)
Newminco was registered with the SEC on October 9, 2006, is a 71.25% owned subsidiary of the Parent Company through CEXCI, and is primarily engaged in the exploration, mining, development, utilization, extraction, beneficiation and marketing of minerals and mineral resources. Newminco is currently not engaged in any development or commercial production activities.

Taganito Mining Corporation
TMC was registered with the SEC on March 4, 1987, is a 65% owned subsidiary of the Parent Company and is primarily engaged in the exploration, mining and exporting of nickel ore located in Claver, Surigao del Norte. TMC also provides services which involve the handling, hauling and transportation of materials required in the processing operations of Taganito HPAL Nickel Corporation (THNC).

Rio Tuba Nickel Mining Corporation (RTN)
RTN was registered with the SEC on July 15, 1969, is a 60% owned subsidiary of the Parent Company and is primarily engaged in the exploration, mining and exporting of nickel ore located in Barangay Rio Tuba, Municipality of Bataraza, Palawan.

Emerging Power Inc. (EPI)
EPI was registered with the SEC on October 16, 2007, is an 86.29% owned subsidiary of the Parent Company and is primarily engaged in the renewable energy business.

Mindoro Geothermal Power Corporation (MGPC)
MGPC was registered with the SEC on May 7, 2014, is an 86.29% owned subsidiary of the Parent Company through EPI and is primarily engaged in the renewable energy business. On November 24, 2014, by virtue of a Deed of Assignment of rights and obligations of EPI under Geothermal Renewable Energy Service Contract (GRESC) No. 2010-02-013, MGPC acquired the exclusive rights to explore, develop and exploit geothermal resources covering a geothermal field in the municipality of Naujan, Oriental Mindoro. The transfer of GRESC No. 2010-02-013 to MGPC was approved by the Department of Energy (DOE) on February 16, 2016.

On February 26, 2019, MGPC received from the Philippine Government, through the DOE, the Confirmation of Commerciality for the 10-megawatt (MW) project.

MGPC is in the exploration phase and is expected to have an operating capacity of 40MW. The geothermal power plant is intended to supply electricity to the Mindoro Island grid.

As at March 31, 2024, the flow testing is expected to commence in the third quarter of 2024, and if successful, MGPC will proceed to development and generation of electricity once the grid infrastructure is available.

Biliran Holdings Inc. (BHI)
BHI was registered with the SEC on July 31, 2015, is an 86.29% owned subsidiary of the Parent Company through EPI and is primarily engaged in investing in and holding of assets of every kind and description, as and to the extent permitted by law. It is also registered, within the limits prescribed by law, to engage in the business of infrastructure, power generation, real estate, manufacturing, trading and agribusiness and to pay other evidence of indebtedness or securities of this or any other corporation.

Northern Palawan Power Generation Corporation (NPPGC)
NPPGC was registered with the SEC on July 5, 2017, is an 86.29% owned subsidiary of the Parent Company through EPI and is primarily engaged in the renewable energy business and in producing and generating electricity and processing fuels alternative for power generation.

NPPGC is the developer and owner of the Cawag Solar Power Project, a ground-mounted solar photovoltaic (PV) farm located in Subic, Zambales, and covered by the Solar Energy Operating Contract (SEOC) No. 2023-10-715 with the DOE. As at March 31, 2024, NPPGC is in the pre-operating stage.

Jobin-SQM, Inc. (JSI)
JSI was registered with the SEC on January 6, 2010, wherein the Parent Company has 38% direct ownership and 44.87% indirect ownership through EPI. JSI is primarily engaged in the power business, including but not limited to power generation, power trading and supply to retail customers and end users. JSI was acquired by EPI on September 11, 2015 and commenced operation in May 2016.

On May 13, 2022, the Department of Environment and Natural Resources granted the request of JSI to increase its capacity, from 150MW to 200MW, and area, from 800 hectares to 815 hectares, located at Mt. Sta. Rita, Subic Bay Freeport Zone.

In relation to this, the construction of Phase 4A - 72MW of the Solar Project started in November 2022. In February 2024, Phase 4A has been completed and delivering power to the grid under testing and commissioning. The Phase 4B - 28MW will be decided subject to availability of sufficient land area to support the development.

As at March 31, 2024, JSI's Solar Project has a total capacity of 172MW.

Greenlight Renewables Holdings Inc. (GRHI)
GRHI was registered with the SEC on August 18, 2022, is a 51.77% owned subsidiary of the Parent Company through EPI. GRHI is primarily engaged in investing in and holding of assets of every kind and description, as and to the extent permitted by law. GRHI is the joint venture of EPI and Shell Overseas Investments B.V. (Shell).

San Isidro Solar Power Corp. (SISPC)
SISPC was registered with the SEC on February 28, 2022, is a 51.77% owned subsidiary of the Parent Company through EPI. SISPC is primarily engaged in harnessing solar energy and producing and generating electricity from solar energy and other renewable energy sources.

SISPC is the developer and owner of the San Isidro Solar Power Project, a ground-mounted solar PV farm located in San Isidro, Leyte and covered under a Solar Energy Service Contract with the DOE. SISPC was acquired by GRHI on June 30, 2023. SISPC is currently in the development and construction stage.

Casilagan Solar Power Corporation (CSPC)
CSPC was registered with the SEC on May 9, 2023, is a 51.77% owned subsidiary of the Parent Company through EPI. CSPC is primarily engaged in onshore renewable energy and carry on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid-connected.

CSPC is the developer and owner of the following ground-mounted solar PV farm projects: 1) San Antonio Solar Power Project located in San Antonio, Zambales and covered by SEOC No. 2023-12-789; 2) San Juan Solar Power Project located in Botolan, Zambales and covered by SEOC No. 2023-12-790; and 3) Tuy Solar Power Project located in Tuy and Nasugbu, Batangas and covered by SEOC No. 2023-12-795. As at March 31, 2024, CSPC is in the pre-operating stage.

SanJuan Solar Power Corporation (SSPC)
SSPC was registered with the SEC on July 26, 2023, is a 51.77% owned subsidiary of the Parent Company through EPI. SSPC is primarily engaged in onshore renewable energy and carry on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid-connected. As at March 31, 2024, SSPC is in the pre-operating stage.

Sta. Maria Solar Power Corporation (SMSPC)
SMSPC was registered with the SEC on July 26, 2023, is a 51.77% owned subsidiary of the Parent Company through EPI. SMSPC is primarily engaged in onshore renewable energy and carry on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid-connected. As at March 31, 2024, SMSPC is in the pre-operating stage.

Tuy Solar and Wind Power Corp. (TSWPC)
TSWPC was registered with the SEC on September 13, 2023, is a 51.77% owned subsidiary of the Parent Company through EPI. TSWPC is primarily engaged in onshore renewable energy and carry on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid-connected. As at March 31, 2024, TSWPC is in the pre-operating stage.

San Antonio Solar Power Corp. (SASPC)
SASPC was registered with the SEC on September 14, 2023, is a 51.77% owned subsidiary of the Parent Company through EPI. SASPC is primarily engaged in onshore renewable energy and carry on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid-connected. As at March 31, 2024, SASPC is in the pre-operating stage.

The unaudited interim condensed consolidated financial statements as at March 31, 2024 and December 31, 2023 and for the three-month period ended March 31, 2024 and 2023, were authorized for issuance by the Parent Company's BOD on May 14, 2024.

2. Basis of Preparation and Consolidation and Statement of Compliance

<u>Basis of Preparation</u>
The accompanying unaudited interim condensed consolidated financial statements of the Group as at March 31, 2024 and for the three-month period ended March 31, 2024 and 2023 have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*.

Accordingly, the unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual audited consolidated financial statements as at December 31, 2023.

The unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis, except for financial assets at FVTPL and at FVOCI, which are measured at fair value. The unaudited interim condensed consolidated financial statements are presented in Philippine peso, which is the Parent Company and its subsidiaries' (collectively referred to as the Group) functional and presentation (or reporting) currency, except CPDL whose functional and reporting currency is in United States dollar (US$). All amounts are rounded to the nearest thousand (₱000), except when otherwise indicated.

Basis of Consolidation

The unaudited interim condensed consolidated financial statements include the balances of the subsidiaries and equity share in the net income or loss of associates:

			Effective Ownership	
	Principal Place of Business	Principal Activities	**March 31, 2024**	March 31, 2023
Subsidiaries				
HMC	Philippines	Mining and Services	**100.00%**	100.00%
CMC	Philippines	Mining	**100.00%**	100.00%
DMC	Philippines	Mining	**100.00%**	100.00%
SNMRC	Philippines	Mining	**100.00%**	100.00%
CDTN	Philippines	Services	**100.00%**	100.00%
CPDL	BVI	Services	**100.00%**	100.00%
LCSLC (a)	Philippines	Services	**100.00%**	100.00%
FEI (b)	Philippines	Mining	**88.00%**	88.00%
EPI	Philippines	Renewable Energy (RE) Developer	**86.29%**	86.29%
MGPC (c)	Philippines	RE Developer	**86.29%**	86.29%
BHI (c)	Philippines	Services	**86.29%**	86.29%
NPPGC (c)	Philippines	Power Generation	**86.29%**	86.29%
JSI (d)	Philippines	Power Generation	**82.87%**	82.87%
CEXCI	Philippines	Mining	**71.25%**	71.25%
Newminco (e)	Philippines	Mining	**71.25%**	71.25%
TMC	Philippines	Mining and Services	**65.00%**	65.00%
RTN	Philippines	Mining	**60.00%**	60.00%
GRHI (c,f)	Philippines	Services	**51.77%**	51.77%
SISPC (c,g)	Philippines	Power Generation	**51.77%**	–
CSPC (c)	Philippines	Power Generation	**51.77%**	–
SSPC (c)	Philippines	Power Generation	**51.77%**	–
SMSPC (c)	Philippines	Power Generation	**51.77%**	–
TSWPC (c)	Philippines	Power Generation	**51.77%**	–
SASPC (c)	Philippines	Power Generation	**51.77%**	–
Associates				
Biliran Geothermal Inc. (BGI) (c)	Philippines	Power Generation	**38.83%**	38.83%
Coral Bay Nickel Corporation (CBNC)	Philippines	Manufacturing	**15.62%**	15.62%
THNC	Philippines	Manufacturing	**10.00%**	10.00%

(a) Indirect ownership through HMC
(b) Indirect ownership through HMC, CMC and TMC
(c) Indirect ownership through EPI
(d) Direct ownership of 38% and indirect ownership through EPI of 44.87%
(e) Indirect ownership through CEXCI
(f) A joint venture of EPI and Shell
(g) Acquired by GRHI on June 30, 2023

The financial statements of the subsidiaries 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 subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Statement of Compliance
The unaudited interim condensed consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs).

Changes in Accounting Policies and Disclosures
The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2023, except for the adoption of the following amendments to existing standards and/or interpretations, which were effective beginning January 1, 2024.

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

- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent*
  The amendments clarify:
  - That only covenants with which an entity must comply on or before the financial reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Standards and Interpretations Issued but not yet Effective
Pronouncements issued but not yet effective are listed below. The Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

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*

The Group will continue to evaluate the impact of the standards, interpretations, and amendments in its consolidated financial statements for the year 2024. Additional disclosures required by these amendments will be included in the Group's consolidated financial statements when these amendments are adopted.

3. Seasonality of Operations

Mining operations at the majority of the Group's mines are often unable to load ore into shipping vessels during the rainy season. This seasonality results in quarter-to-quarter volatility in the Group's operating results with more revenue being earned and more expenses being incurred in the second and third fiscal quarters than in the first and fourth fiscal quarters.

4. Cash and Cash Equivalents

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Cash on hand and with banks	**₱7,144,052**	₱4,380,179
Cash equivalents	**6,344,660**	11,100,453
Cash under managed funds	**1,874**	1,833
	₱13,490,586	₱15,482,465

5. Trade and Other Receivables

Trade and other receivables amounting to ₱48.9 million and ₱48.7 million as at March 31, 2024 and December 31, 2023, respectively, were impaired and fully provided for with allowance for expected credit losses (ECL).

The aging analysis of the Group's trade and other receivables as at March 31, 2024 and December 31, 2023 are summarized below:

March 31, 2024 (Unaudited)	**Neither Past Due Nor Impaired (30 days)**	**Past Due But Not Impaired (31-180 days)**	**Past Due and Individually Impaired (> 180 days)**	**Total**
Trade and other receivables:				
Trade (see Note 29)	**₱1,018,180**	**₱35,793**	**₱36,275**	**₱1,090,248**
Amounts owed by related parties (see Note 29)	**243,610**	**–**	**4,228**	**247,838**
Advances to officers and employees	**47,058**	**5,445**	**193**	**52,696**
Interest receivable	**35,957**	**–**	**–**	**35,957**
Others	**46,762**	**118,759**	**8,191**	**173,712**
	₱1,391,567	**₱159,997**	**₱48,887**	**₱1,600,451**

December 31, 2023 (Audited)	Neither Past Due Nor Impaired (30 days)	Past Due But Not Impaired (31-180 days)	Past Due and Individually Impaired (> 180 days)	Total
Trade and other receivables:				
Trade (see Note 29)	₱1,078,753	₱22,830	₱36,131	₱1,137,714
Amounts owed by related parties (see Note 29)	224,610	–	4,228	228,838
Advances to officers and employees	40,150	3,755	193	44,098
Interest receivable	22,330	–	–	22,330
Others	76,067	103,437	8,191	187,695
	₱1,441,910	₱130,022	₱48,743	₱1,620,675

6. Inventories

As at March 31, 2024 and December 31, 2023, inventories amounting to ₱68.3 million were assessed to be impaired and were provided for with allowance for impairment losses. There was no provision for and reversal of allowance for impairment losses on inventories for the three months ended March 31, 2024 and 2023.

As at March 31, 2024 and December 31, 2023, there was no allowance for impairment losses provided for the cost of beneficiated nickel ore and limestone, while the cost of materials and supplies provided with allowance for impairment losses amounted to ₱476.3 million and ₱491.7 million, respectively.

7. Financial Assets at FVTPL, at FVOCI and at Amortized Cost

	March 31, 2024 (Unaudited)			December 31, 2023 (Audited)		
	Financial Assets at			Financial Assets at		
	FVTPL	**FVOCI**	**Amortized Cost**	FVTPL	FVOCI	Amortized Cost
Quoted instruments						
Debt securities	**₱1,276,200**	**₱484,939**	**₱410,000**	₱1,256,855	₱469,914	₱410,000
Equity securities	**306,979**	**–**	**–**	301,674	–	–
Unquoted equity instruments	**701,441**	**–**	**–**	701,441	–	–
	₱2,284,620	**₱484,939**	**₱410,000**	₱2,259,970	₱469,914	₱410,000

The Group's financial assets pertain to investments in shares of stocks of various local and foreign public and private companies, mutual funds, golf club shares and debt securities which are either unquoted or at quoted market prices. Quoted and unquoted instruments are carried either at fair market value or at amortized cost (for debt instruments) as at the end of the financial reporting period.

The movements in financial assets follow:

	March 31, 2024 (Unaudited)			December 31, 2023 (Audited)		
	Financial Assets at			Financial Assets at		
	FVTPL	**FVOCI**	**Amortized Cost**	FVTPL	FVOCI	Amortized Cost
Balances at January 1	**₱2,259,970**	**₱469,914**	**₱410,000**	₱4,119,775	₱447,975	₱460,000
Additions	**505,434**	**67,495**	**–**	2,098,148	160,969	–
Disposals/redemption	**(494,828)**	**(51,994)**	**–**	(4,153,130)	(143,649)	(50,000)
Effect of changes in foreign exchange rate	**17,003**	**–**	**–**	(31,680)	–	–
Net valuation gains (losses) on financial assets	**(2,959)**	**(476)**	**–**	226,857	4,619	–
Balances at end of period	**2,284,620**	**484,939**	**410,000**	2,259,970	469,914	410,000
Less noncurrent portion	**971,523**	**–**	**375,000**	968,493	–	375,000
Current portion	**₱1,313,097**	**₱484,939**	**₱35,000**	₱1,291,477	₱469,914	₱35,000

For the three months ended March 31, 2024 and 2023, dividend income from equity securities amounted to ₱14.7 million and ₱1.0 million, respectively (see Note 27), while interest income from debt securities amounted to ₱15.3 million and ₱7.4 million, respectively (see Note 25).

8. Property and Equipment

During the three-month period ended March 31, 2024 and 2023, the Group acquired assets with a cost of ₱1,308.1 million and ₱1,219.7 million, respectively, including construction in-progress.

Depreciation, amortization and depletion expense for the three months ended March 31, 2024 and 2023 amounted to ₱528.2 million and ₱416.7 million, respectively (see Note 24).

Except for the property and equipment pledged as collateral for the loans of JSI with Industrial and Commercial Bank of China (ICBC) and Security Bank Corporation (SBC), there were no other property and equipment pledged as collateral for the Group's borrowings as at March 31, 2024 and December 31, 2023 (see Note 12).

9. Investments in Associates

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
THNC	**₱3,196,398**	₱3,185,309
CBNC	**2,164,597**	2,299,671
BGI	**–**	–
	₱5,360,995	₱5,484,980

The movements in investments in associates follow:

	March 31, 2024 (Unaudited)				December 31, 2023 (Audited)			
	THNC	**CBNC**	**BGI**	**Total**	THNC	CBNC	BGI	Total
Balances at January 1	**₱1,974,700**	**₱2,254,722**	**₱1,384**	**₱4,230,806**	₱1,974,700	₱2,254,722	₱1,384	₱4,230,806
Accumulated equity in net earnings (losses):								
Balances at January 1	**930,329**	**(697,342)**	**(1,384)**	**231,603**	1,144,949	124,436	39	1,269,424
Equity in net income (loss)	**5,673**	**(199,569)**	**–**	**(193,896)**	(214,620)	(821,778)	(1,423)	(1,037,821)
	936,002	**(896,911)**	**(1,384)**	**37,707**	930,329	(697,342)	(1,384)	231,603
Share in cumulative translation adjustment:								
Balances at January 1	**280,280**	**742,291**	**–**	**1,022,571**	802,736	844,599	–	1,647,335
Movements	**5,416**	**64,495**	**–**	**69,911**	(522,456)	(102,308)	–	(624,764)
	285,696	**806,786**	**–**	**1,092,482**	280,280	742,291	–	1,022,571
Balances at end of period	**₱3,196,398**	**₱2,164,597**	**₱–**	**₱5,360,995**	₱3,185,309	₱2,299,671	₱–	₱5,484,980

The share in cumulative translation adjustment of associates is gross of deferred income tax liability of ₱163.9 million and ₱153.4 million as at March 31, 2024 and December 31, 2023, respectively.

THNC

THNC, a private entity that is not listed on any public exchange, was incorporated and registered with the Philippine SEC on August 22, 2008. THNC is engaged in the manufacture and export of nickel/cobalt mixed sulfide, nickel hydroxide and any and all ingredient and products and by-products, wherein TMC has a Nickel Ore Supply Agreement to supply all of the limonite ore requirements of the Taganito High Pressure Acid Leach (HPAL) facility.

TMC also provides services related to the handling, hauling and transportation of materials required in the processing operations of THNC. THNC started commercial operations in October 2013.

The net assets and Parent Company's share in cumulative translation adjustment of THNC amounted to ₱35,050.6 million and ₱242.8 million, respectively, as at March 31, 2024, and ₱34,452.3 million and ₱238.2 million, respectively, as at December 31, 2023. For the three months ended March 31, 2024 and 2023, the results of THNC's operations were net income of ₱56.7 million and ₱2,294.7 million, respectively, and the Parent Company's equity in net income of THNC amounted to ₱5.7 million and ₱229.4 million, respectively.

CBNC

CBNC, a private entity that is not listed on any public exchange, was incorporated and registered with the Philippine SEC on April 4, 2002. CBNC is engaged in the manufacture and export of nickel/cobalt mixed sulfide wherein RTN has a Nickel Ore Supply Agreement to supply all of the limonite ore requirements of the Coral Bay Hydro Metallurgical Processing Plant facility. The agreement provides that it will terminate until the earlier of the cessation of operations at the Coral Bay HPAL facility and exhaustion of the limonite ore reserves at the Rio Tuba mine. Aside from supplying ore and limestone from RTN, CDTN also provided ancillary services to Coral Bay HPAL facility.

On October 3, 2022, the Parent Company purchased an additional 33,046,875 common shares of CBNC from Sumitomo Metal Mining Co., Ltd. (SMM) for a total consideration of US$25.9 million, equivalent to ₱1,530.3 million. The acquisition by the Parent Company of the additional CBNC shares increased its equity ownership from 10% to 15.62%.

The net assets and Parent Company's share in cumulative translation adjustment of CBNC amounted to ₱25,786.0 million and ₱685.8 million, respectively, as at March 31, 2024, and ₱26,650.4 million and ₱630.9 million, respectively, as at December 31, 2023. For the three months ended March 31, 2024 and 2023, the results of CBNC's operations were net loss of ₱1,277.2 million and net income of ₱146.5 million, respectively, and the Parent Company's equity in CBNC amounted to ₱199.6 million loss and ₱22.9 million income, respectively.

BGI

BGI, a private entity that is not listed on any public exchange, was incorporated, and registered with the Philippine SEC on October 31, 2007. The principal activities of BGI are to explore, exploit, discover, develop, extract, dig and drill for, produce, utilize, refine, treat, process, transport, store, market, sell, use, supply, experiment with, distribute, manufacture, or otherwise deal in, any substance, minerals or otherwise, which by itself or in contribution with other substances generate or emanate heat or power and to enter into and perform service contracts including geothermal services.

On December 20, 2022, BHI sold a portion of its shareholdings in BGI, equivalent to 461,250 common shares or 15% interest in BGI, for ₱0.5 million. After the sale, BHI's equity ownership in BGI decreased from 60% to 45%, resulting in a loss of control in BGI in 2022.

The net liabilities of BGI amounted to ₱444.0 million and ₱443.1 million as at March 31, 2024 and December 31, 2023, respectively. For the three months ended March 31, 2024 and 2023, the Parent Company's equity in net loss of BGI amounted to nil and ₱0.2 million, respectively.

For the three months ended March 31, 2024 and 2023, the unrecognized equity in net losses of BGI amounted to ₱0.4 million and nil, respectively.

10. Geothermal Exploration and Evaluation Assets

Geothermal exploration and evaluation assets represent the accumulated costs incurred in connection with the exploration and development activities for the Montelago Geothermal Project. The recovery of these costs depends upon determination of technical feasibility, success of exploration activities and discovery of geothermal resource that can be produced in commercial quantities.

As at March 31, 2024 and December 31, 2023, no allowance for impairment losses was recognized on geothermal exploration and evaluation assets since its value in use is higher than its carrying amount.

11. Trade and Other Payables

Trade and other payables include amounts payable to regular suppliers, accrued expenses, government payables and other payables. Trade, accrued expenses and other payables, are noninterest-bearing and are generally settled in one (1) year. Government payables include withholding taxes which are normally settled within ten (10) to fifteen (15) days after the end of each financial reporting month or thirty (30) days after the end of each financial reporting quarter, and fringe benefit tax which are normally settled within thirty (30) days after the end of the quarter on which the fringe benefits are granted to the recipients. Excise tax payable is settled within fifteen (15) days after the end of the quarter when the beneficiated nickel ore and limestone were shipped/delivered. Royalties are paid on or before the deadline agreed with the Mines and Geosciences Bureau or other parties.

12. Short-term and Long-term Debts

Short-term debts

Short-term debts of EPI are as follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
SBC	**₱3,482,775**	₱3,495,641
Rizal Commercial Banking Corporation (RCBC)	**2,356,813**	2,352,454
	₱5,839,588	₱5,848,095

SBC

SBC granted a ₱3,500.0 million loan facility to EPI which is secured by a continuing suretyship of the Parent Company. The proceeds of the loans were used by EPI to settle at maturity dates the promissory notes under the original SBC loan facility and to finance the construction of JSI's Phase 4A - 72MW solar project.

Details of the drawdowns are as follows:

Drawdown Date	Maturity Date	Interest Rate*	Amount
July 8, 2022	June 27, 2024	5.75% to 7.75%	₱300,000
August 26, 2022	January 17, 2025	5.50% to 7.50%	1,200,000
February 10, 2023	January 30, 2025	7.50% to 7.75%	1,500,000
March 31, 2023	March 20, 2025	7.25% to 7.75%	500,000
			₱3,500,000

** Interest rates are subject to monthly repricing*

The carrying amounts of short-term debts of EPI with SBC, net of unamortized debt issue cost, follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balances at January 1	**₱3,500,000**	₱1,500,000
Drawdowns	**–**	3,500,000
Payments	**–**	(1,500,000)
	3,500,000	3,500,000
Less unamortized debt issue cost	**(17,225)**	(4,359)
Balances at end of period	**₱3,482,775**	₱3,495,641

The interest expense on SBC loans amounted to ₱31.0 million and ₱45.1 million for the three months ended March 31, 2024 and 2023, respectively (see Note 26).

The capitalized borrowing costs pertaining to short-term debts with SBC amounted to ₱42.3 million and nil for the three months ended March 31, 2024 and 2023, respectively.

The Term Loan Agreement with SBC provides for restrictions with respect to creation or permission to exist any mortgage or pledge, lien or any encumbrance on all free assets owned or acquired by EPI. Also, the Term Loan Agreement restricts EPI to assume, guarantee, endorse or otherwise become directly or contingently liable in connection with any obligation of any other person, firm or corporation; participate or enter into any merger or consolidation; sell, lease, dispose or convey all or substantially all of EPI's assets; make advances or loans to any of the affiliates, subsidiaries, stockholders, directors and officers except in compliance with formally established and existing fringe benefit program of EPI; suspend its business operation or dissolve its affairs; and to enter into any credit or loan agreement or arrangement with any creditor under such terms and conditions that would place SBC in an inferior position risk-wise, vis-a-vis such other creditors. Moreover, the Term Loan Agreement provides for certain conditions, which include, among others, prompt disclosure in writing of any material change in EPI's financial position and conduct of its operations or any substantial change in its management or ownership, conduct operations in accordance with sound business practice, maintenance and preservation of corporate existence, and prompt payment of all taxes, assessment, and other governmental charges due. As at March 31, 2024 and December 31, 2023, EPI has been compliant with the covenants contained in the loan facility and agreements.

RCBC
RCBC granted a ₱3,500.0 million loan facility to EPI to fund the following projects: 1) JSI's Phase 4A solar project; 2) Cawag project; and 3) the balance for EPI's working capital requirements. On August 29, 2023, EPI drawn an amount of ₱2,364.0 million from the said facility. Interest is at 6.65% per annum (p.a). The principal and interest are payable one (1) year after drawdown or by August 28, 2024.

The carrying amounts of short-term debts of EPI with RCBC, net of unamortized debt issue cost, follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balances at January 1	**₱2,364,000**	₱–
Drawdown	–	2,364,000
	2,364,000	2,364,000
Less unamortized debt issue cost	**(7,187)**	(11,546)
Balances at end of period	**₱2,356,813**	₱2,352,454

The interest expense on RCBC loan amounted to ₱44.1 million, which were all capitalized as borrowing cost, and nil for the three months ended March 31, 2024 and 2023, respectively.

Long-term debts
Long-term debts of the following subsidiaries are as follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
JSI	**₱1,386,489**	₱1,434,712
TMC	**738,150**	726,731
DMC	**523,922**	526,157
	2,648,561	2,687,600
Less noncurrent portion:		
JSI	**1,214,544**	1,265,362
TMC	**639,730**	629,833
DMC	**461,766**	446,641
	2,316,040	2,341,836
Current portion	**₱332,521**	₱345,764

JSI Loans
ICBC and SBC
On August 2, 2021, JSI, ICBC and SBC entered into an Omnibus Loan and Security Agreement (OLSA), with NAC, EPI and TBEA International Engineering Co., Ltd. (TBEA) as Share Collateral Security Grantors and Sponsors. Pursuant to the OLSA, ICBC and SBC granted term loan facilities to JSI amounting to ₱1,600.0 million, payable in two Tranches (Tranche A for ₱1,250.0 million and Tranche B for ₱350.0 million), that will be used by JSI to partially refinance the shareholder's loans used for Phase 3A and 3B expansions.

Interest is fixed, which shall be the higher of the sum of the applicable benchmark rate (or the average of the applicable seven (7)-year Bloomberg Evaluated Pricing Service of Bloomberg LP (or BVAL) benchmark tenor) plus the credit spread, divided by the interest premium factor; and the minimum interest rate divided by the interest premium factor. Principal and interest are payable quarterly for a period of seven (7) years commencing on September 28, 2022 until June 28, 2029.

Details of the drawdown follows:

Tranche	Drawdown Date	Maturity Date	Interest Rate	Amount	Debt Issue Costs
A	June 28, 2022	June 28, 2029	6.59%[1]	₱1,250,000	₱31,899
B	April 28, 2023	June 28, 2029	8.20%[2]	350,000	–
				₱1,600,000	₱31,899

[1] *Fixed interest rate from June 28, 2022 to June 28, 2024*
[2] *Fixed interest rate from April 28, 2023 to June 28, 2024*

At any time after the fifth (5th) year of the loan, JSI may prepay all or any portion of the outstanding loan subject to certain conditions and by paying the prepayment penalty.

The loan is secured by a chattel mortgage on all project assets, mortgage over the leasehold rights with Subic Bay Metropolitan Authority, and the pledge of shares of stocks of JSI.

The OLSA provides certain debt covenants, but are not limited to the following:
1) Debt service coverage ratio (DSCR) is at least equal to the maintenance DSCR, subject to testing at each DSCR testing date;
2) Debt-to-equity (DE) ratio does not exceed the maintenance DE, subject to testing at each DE testing date;
3) To create, permit or enter into any loan facility agreement secured or to be secured by a lien of the whole or any portion of its present and future assets other than any permitted lien;
4) To incur any indebtedness for the purpose of paying dividends on its preferred shares;
5) To enter into any investment, joint venture, partnership or similar business combination or arrangement in relation to the project or otherwise;
6) To pay dividends to its shareholders, repay any shareholder loans and make any other payment to shareholders or its affiliates under any project document;
7) To sell or dispose any assets;
8) To withdraw from the debt service reserve account, except in accordance with the financing documents.

As at March 31, 2024 and December 31, 2023, JSI has been compliant with the covenants contained in the OLSA.

The carrying amounts of long-term debts of JSI with ICBC and SBC, net of unamortized debt issue cost, follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balances at January 1	**₱1,457,585**	₱1,240,500
Payments	**(49,660)**	(132,915)
Drawdowns	–	350,000
	1,407,925	1,457,585
Less unamortized debt issue cost	**(21,436)**	(22,873)
Balances at end of period	**1,386,489**	1,434,712
Less noncurrent portion	**1,214,544**	1,265,362
Current portion	**₱171,945**	₱169,350

The interest expense on ICBC and SBC loans of JSI for the three months ended March 31, 2024 and 2023 amounted to ₱27.1 million and ₱21.9 million, respectively, of which there was no capitalized borrowing costs (see Note 26).

TBEA
In accordance with the Agreement on Shareholder's Advances on June 17, 2020, TBEA granted JSI an unsecured term loan facility of a total cumulative principal amount of US$2.2 million to be used for the Phase 3A - 30MW solar project.

On September 23, 2021, the Parent Company, JSI, EPI and TBEA executed the Supplemental Agreement on Shareholder Advances to agree on the shareholder advances for JSI's development of Phase 3B - 38MW. Under the terms of the Supplemental Agreement, TBEA granted JSI a loan facility amounting to US$2.9 million.

Details of the drawdowns are as follows:

Phase	Drawdowns	Drawdown Date	Maturity Date	Interest Rate	Amount	Debt Issue Costs
3A	First	July 23, 2020	June 17, 2025	5.00%	₱60,806	₱456
	Second	August 27, 2020	June 17, 2025	5.00%	24,127	181
	Third	November 23, 2020	June 17, 2025	5.00%	10,761	81
	Fourth	February 26, 2021	June 17, 2025	5.00%	13,422	101
3B	First	January 17, 2022	June 17, 2025	5.00%	124,861	937
	Second	June 20, 2022	June 17, 2025	5.00%	25,902	194
					₱259,879	₱1,950

The carrying amount of long-term debts of JSI with TBEA, net of unamortized debt issue cost, follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balances at January 1	**₱–**	₱176,808
Loan conversion	–	(142,991)
Payments	–	(33,817)
Balances at end of period	**₱–**	₱–

For the three months ended March 31, 2024 and 2023, the interest expense on TBEA loans of JSI amounted to nil and ₱2.3 million, respectively, of which there was no capitalized borrowing costs (see Notes 26 and 29).

<u>TMC Loan</u>
On October 4, 2010, TMC entered into an Omnibus Agreement with THNC, wherein the latter granted the former an unsecured loan facility amounting to a total of US$35.0 million at a prevailing one hundred eighty (180)-day British Banker Association London Inter-Bank Offered Rate (LIBOR) plus 2% spread, to exclusively finance the construction of the pier facilities within the Taganito Special Economic Zone. In October 2023, TMC and THNC agreed to amend the basis for computing interest from LIBOR to Term Secured Overnight Financing Rate (TSOFR) plus an adjustment of 0.43%.

The interest on the loan is payable semi-annually, on October 10 and April 10. The total principal is payable in semi-annual installments of US$0.9 million starting on October 10, 2011 up to April 10, 2031.

The carrying amount of long-term debt of TMC with THNC follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balances at January 1	**₱726,731**	₱829,355
Effect of changes in foreign exchange rate	**11,419**	(27,078)
Payments	–	(75,546)
Balances at end of period	**738,150**	726,731
Less noncurrent portion	**639,730**	629,833
Current portion	**₱98,420**	₱96,898

Interest expense pertaining to this loan for the three months ended March 31, 2024 and 2023 amounted to ₱14.6 million and ₱12.9 million, respectively (see Notes 26 and 29).

The Omnibus Agreement provides for restriction with respect to creation, assumption, incurrence, and permission to exist any lien upon the pier facilities and all TMC's other real rights over the same except as permitted under the Omnibus Agreement. Also, the Omnibus Agreement provides for certain conditions which include, among others, maintenance and preservation of TMC's corporate existence, rights, privileges and licenses, prompt submission of written notice to THNC of any and all litigations and administrative arbitration proceedings before any Governmental authority affecting TMC, prompt payment of all amounts due under the loan documents and maintenance of all Governmental approvals necessary to perform the obligations. As at March 31, 2024 and December 31, 2023, TMC is in compliance with the restrictions.

DMC Loan
SBC granted an ₱843.0 million loan facility to DMC to finance the construction of its permanent causeway. Interest is based on quarterly floater for seven (7) years using Bangko Sentral ng Pilipinas overnight lending facility rate plus the credit spread. Interest is payable monthly for a period of seven (7) years commencing on the initial drawdown date until maturity.

Details of the drawdowns are as follows:

Drawdown Date	Maturity Date	Interest Rate**	Amount	Debt Issue Costs
August 16, 2023	August 16, 2030	6.82% to 7.18%	₱9,465	₱71
August 16, 2023	August 16, 2030	6.82% to 7.18%	81,743	613
September 1, 2023	August 16, 2030	6.75% to 7.18%	156,823	1,176
October 27, 2023	August 16, 2030	7.00% to 7.07%	32,458	243
November 22, 2023	August 16, 2030	7.00% to 7.02%	59,977	450
December 27, 2023	August 16, 2030	7.00%	200,795	1,506
February 5, 2024	August 16, 2030	7.00%	17,855	134
			₱559,116	₱4,193

*** Interest rates are subject to quarterly repricing*

The carrying amounts of long-term debts of DMC with SBC, net of unamortized debt issue cost, follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balances at January 1	**₱530,108**	₱–
Drawdowns	**17,855**	541,261
Payment	**(20,108)**	(11,153)
	527,855	530,108
Less unamortized debt issue cost	**(3,933)**	(3,951)
Balances at end of period	**523,922**	526,157
Less noncurrent portion	**461,766**	446,641
Current portion	**₱62,156**	₱79,516

The interest expense pertaining to this loan, which were all capitalized as borrowing cost, amounted to ₱10.0 million and nil for the three months ended March 31, 2024 and 2023, respectively.

The Term Loan Agreement of DMC with SBC provides for certain conditions and/or restrictions, but are not limited to the following:

1) DE ratio of at most 1.50x defined as total liabilities less advances from stockholders divided by total equity plus advances from stockholders.

2) DSCR of at least 1.15x defined as earnings before interest, taxes, depreciation, and amortization divided by interest expense plus prior year's current portion of long-term debt.
3) The borrower shall only pay interest on any subordinated loans, pay dividends, and repay any portion of its subordinated loans and/or advances from stockholders provided that the distribution DSCR is at least 1.25x and DMC's DE ratio should not be more than 1.50x.
4) As long as any of the credit obligations remain unpaid, DMC will not, without prior written consent of SBC, create or permit to exist any mortgage or pledge lien or any encumbrance on all free assets now owned or hereafter acquired by DMC.

As at March 31, 2024 and December 31, 2023, DMC has been compliant with the covenants contained in the loan facility and agreements.

13. Provision for Mine Rehabilitation and Decommissioning

Provision for mine rehabilitation and decommissioning pertains to the estimated decommissioning costs to be incurred in the future on the mined-out areas of the Group.

The Group makes a full provision for the future cost of rehabilitating the mine site and related production facilities on a discounted basis on the development of mines or installation of those facilities. The rehabilitation provision represents the present value of rehabilitation costs. These provisions have been created based on the Group's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to consider any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mine ceases to produce at economically viable rates. This, in turn, will depend upon future ore prices, which are inherently uncertain.

For the three months ended March 31, 2024 and 2023, accretion of interest on provision for mine rehabilitation and decommissioning amounted to ₱7.0 million and ₱5.7 million, respectively (see Note 26).

14. Equity

Capital Stock
The capital structure of the Parent Company follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Common stock - ₱0.50 par value		
Authorized - 19,265,000,000 shares		
Issued - 13,985,547,094 shares		
Outstanding - 13,931,125,094 shares	**₱6,992,774**	₱6,992,774
Preferred stock - ₱0.01 par value		
Authorized and Issued - 720,000,000 shares	**7,200**	7,200
Total	**₱6,999,974**	₱6,999,974

Capital Stock
Issued Common Stock
As at March 31, 2024 and December 31, 2023, a total of 7,532,035,077 common shares and 7,718,357,612 common shares, respectively, of the outstanding common shares of the Parent Company are registered in the name of eighty-nine (89) and eighty-eight (88) shareholders, respectively, while the balance of 6,399,090,017 common shares and 6,212,767,482 common shares, respectively, were lodged with the Philippine Depository and Trust Corporation.

Outstanding Common Stock
The movement in outstanding common stock follows:

	Number of Shares		
	Issued	Treasury	Outstanding
Balances at December 31, 2022	13,685,272,117	(54,422,000)	13,630,850,117
Exercise of stock options	300,274,977	–	300,274,977
Balances at March 31, 2024 and December 31, 2023	13,985,547,094	(54,422,000)	13,931,125,094

Preferred Stock
Preferred share is voting, non-participating but with a fixed cumulative dividend rate of 7% p.a.

Additional Paid-in Capital
The movements in additional paid-in capital follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balances at January 1	**₱9,205,802**	₱8,271,900
Exercise of stock options	**–**	565,361
Reclassification adjustment from cost of share-based payment plan upon exercise of stock options (see Note 15)	**–**	368,541
Balances at end of period	**₱9,205,802**	₱9,205,802

Cost of Share-based Payment Plan
On April 5, 2018, the BOD of the Parent Company approved the adoption of Executive Stock Option Plan (2018 ESOP; the Plan) which was ratified by the Parent Company's stockholders on May 28, 2018. A total of 375 million shares of stock were reserved for issue under the Plan.

The basic terms and conditions of the stock option plans are disclosed in Note 15.

Dividends
Dividends declared and paid by the Parent Company follows:

Year	Type of Dividend	Date of Declaration	Date of Record	Amount Declared	Dividend per Share	Date of Payment
2024	***Cash Dividends***					
	Regular	**March 13, 2024**	**March 27, 2024**	**₱1,114,490**	**₱0.08**	**April 12, 2024**
	Special	**March 13, 2024**	**March 27, 2024**	**696,556**	**0.05**	**April 12, 2024**
2023	*Cash Dividends*					
	Regular	March 14, 2023	March 29, 2023	₱2,317,245	₱0.17	April 12, 2023

Appropriation of Retained Earnings
Parent Company
On November 27, 2018, the Parent Company's BOD approved the appropriation of retained earnings amounting to ₱1,500.0 million in relation to the share buy-back program of the Parent Company. On November 6, 2020, the Parent Company's BOD approved the reversal of the appropriation of up to ₱1,365.0 million which took effect on December 2, 2020, the end of the Parent Company's share buy-back program.

Treasury Stock
On November 27, 2018, the BOD of the Parent Company approved to undertake a two (2)-year share buy-back program authorizing management to buy from the market at its discretion the Parent Company's common shares up to an aggregate value of ₱1,500.0 million. As at March 31, 2024 and December 31, 2023, the Parent Company purchased from the market a total of 54,422,000 of its own common shares at an average price of ₱2.4625 per share or a total of ₱134.0 million.

15. Executive Stock Option Plan

2018 ESOP

On April 5, 2018, the Plan was approved by the Parent Company's BOD and was ratified by the stockholders on May 28, 2018. On February 18, 2020, the Plan was approved by the SEC. The basic terms and conditions of the Plan are as follows:

1. The Plan covers up to 155 million shares, which was further increased to 375 million shares, allocated to the Parent Company's eligible participants.
2. The eligible participants are the directors and officers of the Parent Company and its operating subsidiaries, including CEXCI, specifically those with positions of Assistant Vice President and higher, including the Resident Mine Managers of the subsidiaries.
3. The grant dates and exercise prices are as follows:

Grant dates	Exercise prices, before stock dividends	Equivalent exercise prices, after the effect of stock dividends
June 15, 2018	₱4.38	₱2.43
April 4, 2019	2.18	2.18
May 20, 2019	2.08	2.08
March 1, 2020	2.30	2.30
March 16, 2020	3.95	3.95
May 8, 2020	1.47	1.47
February 17, 2021	2.60	2.60
July 1, 2021	4.71	4.71
September 11, 2021	4.95	4.95
June 3, 2022	6.31	6.31

4. The term of the Plan shall be five (5) years and the shares will vest to the participant yearly at a rate of 25% after the first year of the Plan.
5. The participant can exercise the vested options by giving notice within the term of the Plan and can opt to either purchase the shares at the exercise price or request the Parent Company to advance the purchase price and to sell the shares in which case the participant will receive the sales proceeds less the exercise price.

The fair value of the stock option ranges from ₱0.11 to ₱2.90, which was estimated as at grant date using the Black Scholes-Merton model, taking into consideration the terms and conditions upon which the options were granted.

The following inputs were used to determine the fair value of the 2018 ESOP at effective grant date:

Grant dates	Exercise price	Spot price per share	Expected volatility	Option life (in years)	Dividend yield	Risk-free rate
June 15, 2018	₱4.38	₱5.01	45.34%	5.00	2.16%	5.93%
April 4, 2019	2.18	2.55	46.40%	4.20	5.88%	5.72%
May 20, 2019	2.08	2.18	45.51%	4.07	6.88%	5.76%
March 1, 2020	2.30	2.18	44.62%	3.29	6.88%	3.98%
March 16, 2020	3.95	1.80	44.95%	3.25	8.33%	4.36%
May 8, 2020	1.47	1.54	45.14%	3.10	9.74%	2.99%
February 17, 2021	2.60	5.53	46.42%	2.32	2.71%	2.06%
July 1, 2021	4.71	5.62	47.33%	1.95	2.67%	1.94%
September 11, 2021	4.95	6.13	46.73%	1.76	2.45%	1.88%
June 3, 2022	6.31	7.22	48.18%	1.03	2.08%	2.28%

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

On September 15, 2022, the SEC approved the exemption from registration of the additional 220 million common shares which shall form part of the ESOP. On December 21, 2022, the Parent Company's BOD approved to extend the exercise period of the options under the Plan until December 13, 2023. On February 3, 2023, the PSE approved the listing of up to 304,345,014 unissued common shares to cover the 2018 ESOP.

The movements in the cost of share-based payment plan included in equity are as follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balances at January 1	**₱154,296**	₱522,837
Cost of share-based payment recognized as capital upon exercise (see Note 14)	–	(368,541)
Balances at end of period	**₱154,296**	₱154,296

As at March 31, 2024 and December 31, 2023, the 2018 ESOP were completely exercised and the weighted average stock price at exercise dates was ₱6.28.

16. Earnings Per Share

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	
a. Net income attributable to equity holders of the Parent	**₱202,376**	₱969,688
b. Weighted average number of common shares for basic EPS (in thousands)	**13,931,125**	13,630,850
c. Weighted average number of common shares adjusted for the effect of dilution (in thousands)	**13,931,125**	13,630,850
Basic/Diluted EPS	**₱0.01**	₱0.07

There have been no other transactions involving ordinary shares or potential ordinary shares between the end of the financial reporting period and the date of authorization of the consolidated financial statements.

17. Cost of Sales

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	
Cost of sale of:		
Ore	**₱1,128,377**	₱1,198,051
Limestone	**33,308**	27,281
	₱1,161,685	₱1,225,332

Details of cost of sales follow:

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	
Production overhead	**₱817,030**	₱812,056
Outside services	**351,745**	231,905
Personnel costs (see Note 23)	**329,893**	324,249
Depreciation, amortization and depletion (see Note 24)	**311,867**	233,819
	1,810,535	1,602,029
Net changes in beneficiated nickel ore and limestone	**(648,850)**	(376,697)
	₱1,161,685	₱1,225,332

Production overhead consists of fuel, oil and lubricants, materials and supplies, equipment rentals and other miscellaneous charges.

Outside services pertain to services offered by the contractors related to the mining activities of the Group. These services include, but are not limited to, hauling, stevedoring, maintenance, security, and equipment rental.

18. Cost of Services

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	
Outside services	**₱96,586**	₱79,615
Depreciation (see Note 24)	**41,640**	33,772
Overhead	**36,012**	32,384
Personnel costs (see Note 23)	**30,749**	30,660
	₱204,987	₱176,431

19. Cost of Power Generation

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	
Depreciation and amortization (see Note 24)	**₱84,574**	₱79,971
Overhead	**22,530**	20,220
Outside services	**10,205**	10,278
Materials and supplies	**9,104**	3,884
Personnel costs (see Note 23)	**6,135**	6,739
	₱132,548	₱121,092

Overhead in cost of power generation consists of insurance, taxes and licenses, utilities and other miscellaneous charges.

20. General and Administrative Expenses

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	
Personnel costs (see Note 23)	**₱112,123**	₱104,677
Taxes and licenses	**85,816**	59,604
Depreciation and amortization (see Note 24)	**39,042**	27,719
Dues and subscriptions	**13,645**	10,977
Outside services	**13,124**	16,780
Publicity and promotions	**11,514**	9,242
Professional fees	**10,985**	12,854
Transportation and travel	**8,773**	11,318
Rentals	**4,925**	–
Supplies	**4,155**	11,815
Communications, light and water	**3,887**	3,155
Entertainment, amusement, and recreation	**2,501**	2,368
Repairs and maintenance	**448**	1,439
Donation	**–**	25,000
Others	**9,053**	22,930
	₱319,991	₱319,878

Other general and administrative expenses are composed of other service fees and other numerous transactions with minimal amounts.

21. Shipping and Loading Costs

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	
Outside services	**₱54,938**	₱68,200
Materials and supplies	**40,692**	46,507
Depreciation and amortization (see Note 24)	**37,402**	35,220
Personnel costs (see Note 23)	**22,539**	20,113
Other services and fees	**3,979**	4,049
	₱159,550	₱174,089

22. Excise Taxes and Royalties

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	
Excise taxes	**₱83,513**	₱141,875
Royalties	**59,761**	88,090
	₱143,274	₱229,965

23. Personnel Costs

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	
Salaries, wages and employee benefits	**₱471,845**	₱451,015
Pension cost	**29,594**	35,423
	₱501,439	₱486,438

The amounts of personnel costs are distributed as follows:

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	
Cost of :		
Sales (see Note 17)	**₱329,893**	₱324,249
Services (see Note 18)	**30,749**	30,660
Power generation (see Note 19)	**6,135**	6,739
General and administrative (see Note 20)	**112,123**	104,677
Shipping and loading costs (see Note 21)	**22,539**	20,113
	₱501,439	₱486,438

24. Depreciation, Amortization and Depletion

The amounts of depreciation, amortization, and depletion expense, including amortization of right-of-use (ROU) assets, are distributed as follows:

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	
Cost of:		
Sales (see Note 17)	**₱311,867**	₱233,819
Power generation (see Note 19)	**84,574**	79,971
Services (see Note 18)	**41,640**	33,772
General and administrative (see Note 20)	**39,042**	27,719
Shipping and loading costs (see Note 21)	**37,402**	35,220
Others	**22,545**	8,961
	₱537,070	₱419,462

The above is distributed as follows:

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	
Property and equipment (see Note 8)	**₱528,171**	₱416,745
Computer software under "Other noncurrent assets"	**8,899**	2,717
	₱537,070	₱419,462

25. Finance Income

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	
Interest income from:		
Cash and cash equivalents	**₱133,898**	₱96,726
Financial assets at (see Note 7):		
FVTPL	**7,102**	–
FVOCI	**5,031**	3,977
Amortized cost	**3,119**	3,444
Mine rehabilitation fund (MRF)	**4,743**	3,461
Short-term cash investments	**4,154**	1,144
Negotiable instruments	–	347
Others	**197**	61
	₱158,244	₱109,160

26. Finance Expenses

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	
Interest expense on:		
Long-term debts (see Notes 12 and 29)	**₱41,701**	₱37,105
Short-term debts (see Note 12)	**30,978**	45,110
Pension	**13,042**	13,726
Others	**–**	6
Accretion of interest on:		
Lease liabilities (see Note 30)	**17,829**	13,728
Provision for mine rehabilitation and decommissioning (see Note 13)	**6,996**	5,694
Guarantee service fee (see Note 29)	**8,537**	8,010
	₱119,083	₱123,379

27. Other Income (Charges) - Net

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	
Foreign exchange gains (losses) - net	**₱136,218**	(₱201,597)
Rentals and accommodations	**16,113**	17,273
Dividend income (see Note 7)	**14,697**	1,002
Gain (loss) on:		
Changes in fair value of financial assets at FVTPL (see Note 7)	**(2,959)**	29,559
Sale of property and equipment	**(2,922)**	13,365
Trust fee	**(1,197)**	(2,839)
Others	**13,729**	52,511
	₱173,679	(₱90,726)

28. Revenue from Contracts with Customers

Disaggregated Revenue Information

The tables below show the disaggregation of revenues of the Group by location of the customers for sale of ore and limestone, type of services rendered for sale of services and source of electricity for sale of power for the three months ended March 31, 2024 and 2023:

	For the three-month period ended March 31, 2024 (Unaudited)			
	China	**Local**	**Singapore**	**Total**
Sale of (see Note 29):				
Ore	**₱624,468**	**₱1,156,288**	**₱248,344**	**₱2,029,100**
Limestone	**–**	**58,730**	**–**	**58,730**
	₱624,468	**₱1,215,018**	**₱248,344**	**₱2,087,830**

	For the three-month period ended March 31, 2023 (Unaudited)			
	China	Local	Singapore	Total
Sale of (see Note 29):				
Ore	₱1,668,140	₱1,845,805	₱–	₱3,513,945
Limestone	–	32,925	–	32,925
	₱1,668,140	₱1,878,730	₱–	₱3,546,870

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	
Services (see Note 29)		
Materials handling	**₱323,071**	₱272,210
Sale of power		
Solar	**₱202,812**	₱182,252
Diesel	**13,531**	7,457
	₱216,343	₱189,709

29. Related Party Transactions

Set out below are the Group's transactions with related parties for the three-month period ended March 31, 2024 and 2023, including the corresponding assets and liabilities arising from the said transactions as at March 31, 2024 (Unaudited) and December 31, 2023 (Audited):

	Amount		Trade and Other Receivables (see Note 5)		Trade and Other Payables		Amounts Owed by Related Parties (see Note 5)		Long-term Debts (see Note 12)		Terms	Conditions
	March 31, 2024	March 31, 2023	**March 31, 2024**	December 31, 2023	**March 31, 2024**	December 31, 2023	**March 31, 2024**	December 31, 2023	**March 31, 2024**	December 31, 2023		
Stockholder												
SMM												
Guarantee service fee (see Note 26)	**₱8,537**	₱8,010	**₱–**	₱–	**₱945**	₱8,963	**₱–**	₱–	**₱–**	₱–	Every twenty first (21st) of February, March, August and September	A
With Common Stockholders												
Manta Equities, Inc.												
Rentals, dues and utilities	**19,445**	7,896	**–**	–	**940**	977	**–**	–	**–**	–	Payable upon billing; noninterest-bearing	A
Associates												
CBNC												
Sale of ore and limestone	**450,351**	826,319	**184,916**	175,861	**–**	–	**–**	–	**–**	–	Thirty (30) days term; noninterest-bearing	A
Materials handling	**194,227**	159,436	**154,237**	357,759	**–**	–	**–**	–	**–**	–	Fifteen (15) days term; noninterest-bearing	A
Infralease and throughput	**2,917**	2,875	**43,596**	36,279	**–**	–	**–**	–	**–**	–	Collectible at the end of February and August; noninterest-bearing	A
Other income	**19,835**	13,853	**61,807**	61,996	**–**	–	**–**	–	**–**	–	Collectible on demand; noninterest-bearing	A
THNC												
Sale of ore	**764,667**	1,052,411	**266,663**	257,626	**–**	–	**–**	–	**–**	–	Thirty (30) days term, noninterest-bearing	A
Rendering of service	**39,440**	30,720	**77,611**	41,695	**–**	–	**–**	–	**–**	–	Semi-annual term; noninterest-bearing	A
Materials handling	**77,057**	75,466	**58,405**	48,361	**–**	–	**–**	–	**–**	–	Fifteen (15) days term; noninterest-bearing	A

(Forward)

THNC

	Amount		Trade and Other Receivables (see Note 5)		Trade and Other Payables		Amounts Owed by Related Parties (see Note 5)		Long-term Debts (see Note 12)		Terms	Conditions
	March 31, 2024	March 31, 2023	**March 31, 2024**	December 31, 2023	**March 31, 2024**	December 31, 2023	**March 31, 2024**	December 31, 2023	**March 31, 2024**	December 31, 2023		
Rental income	**₱1,806**	₱1,526	**₱4,363**	₱7,680	**₱–**	₱–	**₱–**	₱–	**₱–**	₱–	Collectible on demand; noninterest bearing	A
Loan facility	–	–	–	–	–	–	–	–	**738,150**	726,731	Principal is payable in semi-annual installments; interest is based on one hundred eighty (180)-day British Banker Association LIBOR plus 2% spread or TSOFR plus 0.43%	B
Interest expense on long-term debt (see Notes 12 and 26)	**14,638**	12,862	–	–	**23,905**	11,226	–	–	–	–	Payable semi-annually on April 10 and October 10	A
Short-term advances	–	–	–	–	–	–	**801**	801	–	–	Collectible/ payable upon billing; noninterest-bearing; with allowance for ECL of ₱4.2 million as at March 31, 2024 and December 31, 2023	A
BGI												
Short-term advances	–	–	–	–	–	–	**242,809**	223,809	–	–	Collectible upon billing; noninterest-bearing	A
Affiliates												
TBEA												
Interest expense on long-term debt (see Notes 12 and 26)	–	2,301	–	–	**803**	803	–	–	–	–	Payable on or before the end of the fifth (5th) year after drawdown or on June 17, 2025	A
Shell Energy Philippines, Inc												
Sale of power	**70,502**	110,131	**32,647**	34,580	–	–	–	–	–	–		
			₱884,245	₱1,021,837	**₱26,593**	₱21,969	**₱243,610**	₱224,610	**₱738,150**	₱726,731		

A - Unsecured; no guarantee
B – Unsecured; with guarantee

Terms and Conditions of Transactions with Related Parties
All sales to and purchases from related parties are made at prevailing market prices. Outstanding balances as at March 31, 2024 and December 31, 2023 pertain to the extension and receipt of advances to and from related parties and these are unsecured, short-term, interest-free and settlement occurs in cash. Except for the guarantee on THNC's, EPI's and JSI's Loan Obligations, there have been no guarantees received or provided for any related party receivables or payables, respectively. This assessment is undertaken at each end of the financial reporting period through the examination of the financial position of the related party and the market in which the related party operates.

Compensation of Key Management Personnel
The Group considers as key management personnel all employees holding managerial positions up to the chairman. The short-term benefits of key management personnel of the Group for the three months ended March 31, 2024 and 2023 amounted to about ₱77.3 million and ₱85.0 million, respectively.

30. Leases

The rollforward analysis of lease liabilities, discounted using incremental borrowing rate, follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balances at January 1	**₱833,421**	₱611,169
Payments	**(19,943)**	(75,761)
Accretion of interest (see Note 26)	**17,829**	63,704
Addition	–	236,295
Reversal	–	(1,986)
Balances at end of period	**831,307**	833,421
Less noncurrent portion	**789,102**	779,075
Current portion	**₱42,205**	₱54,346

For the three months ended March 31, 2024 and 2023, the accretion of interest on lease liabilities amounted to ₱17.8 million and ₱13.7 million, respectively (see Note 26), while the amortization of ROU assets included in "Property and equipment" amounted to ₱15.7 million and ₱10.8 million, respectively.

31. Income Taxes

The provision for (benefit from) income tax shown in the unaudited interim condensed consolidated statements of income includes:

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	
Current	**₱158,379**	₱491,539
Deferred	**14,435**	(38,899)
	₱172,814	₱452,640

32. Financial Instruments

The following method and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such values:

Cash and Cash Equivalents and Short-term Cash Investments
The carrying amounts of cash and cash equivalents and short-term cash investments approximate their fair value due to the short-term nature and maturity of these financial instruments.

Trade and Other Receivables, Trade and Other Payables and Short-term Debts
Similarly, the carrying amounts of trade and other receivables, trade and other payables and short-term debts approximate their fair values due to the short-term nature of these accounts.

Financial Assets at FVTPL and at FVOCI
The fair values were determined by reference to market bid quotes as at the end of the financial reporting period. Upon adoption of PFRS 9, the Group used the net asset approach with consideration of lack of marketability discount and lack of control discount in determining the fair value of unquoted equity securities since the fair value measurement is unobservable (Level 3).

Financial Assets at Amortized Cost
The carrying amount of financial assets at amortized cost, which is measured using the effective interest rate (EIR), is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR.

MRF, Restricted Cash and Social Development Management Program (SDMP) Funds
The carrying amounts of MRF, restricted cash and SDMP funds approximate their fair values since they are restricted cash with banks, which earn interest based on prevailing market rates repriced monthly.

Long-term Debts
The fair values of long-term debts are based on the present value of future cash flows discounted using applicable risk-free rates for similar types of loans adjusted for credit risk.

Fair Value Hierarchy of Financial Instruments
As at March 31, 2024 and December 31, 2023, the fair value of the quoted debt and equity securities at the close of the business is the quoted market price (Level 1) and the fair value of unquoted equity securities is determined using the net asset approach since the fair value measurement is unobservable (Level 3).

As at March 31, 2024 and December 31, 2023, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

	March 31, 2024 (Unaudited)			December 31, 2023 (Audited)		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Assets measured at fair value:						
Financial assets at:						
FVTPL	**₱1,585,827**	**₱–**	**₱698,793**	₱1,561,177	₱–	₱698,793
FVOCI	**484,939**	**–**	**–**	469,914	–	–
	₱2,070,766	**₱–**	**₱698,793**	₱2,031,091	₱–	₱698,793

33. Business Segment Information

The Group’s operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The mining segment is engaged in the mining and exploration of nickel saprolite and limonite ore and limestone.

The services segment is engaged in the chartering out of LCT, construction and rendering of services to CBNC, THNC and other parties and leasing of aircraft to World Aviation International Services Corporation.

The power segment is engaged in power generation and exploration for geothermal resources.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The Group is also using net income (loss) in evaluating total performance. Net income is the performance of business segments based on a measure of recurring profit. This measurement basis is determined as profit attributable to equity holders of the Parent Company.

Segment assets include all operating assets used by a segment and consist principally of cash and cash equivalents, trade and other receivables, inventories, financial assets at FVTPL, at FVOCI and at amortized cost, prepayments and other current assets, property and equipment, investments in associates, geothermal exploration and evaluation assets, and other noncurrent assets. Segment liabilities include all operating liabilities and consist principally of trade and other payables, short-term and long-term debts and other liabilities. Segment assets and liabilities do not include deferred income taxes.

The amounts of segment assets and liabilities and segment profit or loss are based on measurement principles that are similar to those used in measuring assets and liabilities and profit or loss in the consolidated financial statements, which are in accordance with PFRSs.

There were no changes from prior periods in the measurement methods used to determine reported segment profit or loss and the effect, if any, of those changes on the measure of segment profit or loss.

The Group's identified reportable segments are consistent with the segments reported to the BOD, which is the Chief Operating Decision Maker of the Group.

Financial information on the operation of the various business segments is set out on next page.

March 31, 2024 (Unaudited)

	Mining					Power		Services				
	HMC	CMC	TMC	RTN	DMC	EPI	NAC	RTN/TMC/ CDTN	HMC	Others	Eliminations	Total
External customers	₱–	₱16,229	₱764,667	₱1,306,934	₱–	₱202,812	₱47,116	₱323,071	₱–	₱–	₱–	₱2,660,829
Inter-segment revenues	–	–	–	–	–	–	–	7,127	–	100,922	(108,049)	–
Total revenues	–	16,229	764,667	1,306,934	–	202,812	47,116	330,198	–	100,922	(108,049)	2,660,829
Cost of sales	–	6,717	570,504	597,069	–	–	–	–	–	–	(12,605)	1,161,685
Cost of services	–	–	–	–	–	–	–	209,982	–	–	(4,995)	204,987
Cost of power generation	–	–	–	–	–	97,504	34,530	–	–	–	514	132,548
Shipping and loading costs	11,659	8,500	23,842	104,701	10,786	–	–	–	–	–	62	159,550
Excise taxes and royalties	–	1,460	76,467	65,347	–	–	–	–	–	–	–	143,274
Marketing	–	41	1,912	3,120	–	–	–	–	–	–	(5,073)	–
Segment operating earnings (loss)	(₱11,659)	(₱489)	₱91,942	₱536,697	(₱10,786)	₱105,308	₱12,586	₱120,216	₱–	₱100,922	(₱85,952)	₱858,785
General and administrative	₱7,125	₱4,977	₱57,581	₱80,635	₱8,727	₱71,424	₱–	₱20,691	₱–	₱158,465	(₱89,634)	₱319,991
Finance income	492	1,515	18,769	34,997	31	50,750	362	2,118	–	79,028	(29,818)	158,244
Finance expenses	1,156	2,860	11,841	4,878	58	78,567	–	14,647	–	16,694	(11,618)	119,083
Provision for (benefit from) income tax	66	(557)	19,980	122,080	–	2,706	252	–	–	28,403	(116)	172,814
Net income (loss) attributable to equity holders of the parent	(16,774)	(1,376)	43,151	276,693	(18,968)	54,063	12,696	68,813	–	(215,922)	–	202,376
Segment assets	₱2,263,462	₱1,792,160	₱9,626,655	₱6,866,705	₱2,618,976	₱25,205,939	₱662,127	₱860,158	₱–	₱33,993,246	(₱26,241,658)	₱57,647,770
Deferred income tax assets - net	22,568	24,480	43,174	129,802	176,058	–	–	–	–	28,967	–	425,049
Total assets	₱2,286,030	₱1,816,640	₱9,669,829	₱6,996,507	₱2,795,034	₱25,205,939	₱662,127	₱860,158	₱–	₱34,022,213	(₱26,241,658)	₱58,072,819
Segment liabilities	₱602,084	₱263,261	₱1,857,489	₱1,704,201	₱3,367,940	₱21,150,463	₱26,550	₱151,426	₱–	₱1,605,185	(₱16,593,932)	₱14,134,667
Deferred income tax liabilities	–	–	–	–	–	20,669	–	–	–	847	367,778	389,294
Total liabilities	₱602,084	₱263,261	₱1,857,489	₱1,704,201	₱3,367,940	₱21,171,132	₱26,550	₱151,426	₱–	₱1,606,032	(₱16,961,710)	₱14,523,961
Other segment information:												
Capital expenditures	₱115,707	₱3,415	₱284,170	₱106,004	₱19,197	₱770,262	₱238	₱3,178	₱–	₱5,913	₱–	₱1,308,084
Depreciation, amortization and depletion	₱49,974	₱29,965	₱208,845	₱82,449	₱41,122	₱78,596	₱13,922	₱15,311	₱–	₱21,007	(₱4,121)	₱537,070

	December 31, 2023 (Audited)											
	Mining					Power		Services				
	HMC	CMC	TMC	RTN	DMC	EPI	NAC	RTN/TMC/ CDTN	HMC	Others	Eliminations	Total
External customers	₱2,238,818	₱2,779,035	₱9,956,210	₱6,165,673	₱414,127	₱687,522	₱194,025	₱2,264,128	₱929	₱–	₱–	₱24,700,467
Inter-segment revenues	–	–	–	–	–	–	–	28,786	–	844,090	(872,876)	–
Total revenues	2,238,818	2,779,035	9,956,210	6,165,673	414,127	687,522	194,025	2,292,914	929	844,090	(872,876)	24,700,467
Cost of sales	851,501	1,045,474	3,213,415	2,448,482	472,272	–	–	–	–	–	(66,650)	7,964,494
Cost of services	–	–	–	–	–	–	–	1,570,951	–	–	(20,168)	1,550,783
Cost of power generation	–	–	–	–	–	374,992	138,740	–	–	–	1,792	515,524
Shipping and loading costs	305,343	381,900	1,027,686	282,256	173,710	–	–	–	–	–	2,965	2,173,860
Excise taxes and royalties	201,494	347,740	995,621	308,284	20,706	–	–	–	–	–	–	1,873,845
Marketing	36,783	112,117	108,251	112,816	3,507	–	–	–	–	–	(255,217)	118,257
Segment operating earnings (loss)	₱843,697	₱891,804	₱4,611,237	₱3,013,835	(₱256,068)	₱312,530	₱55,285	₱721,963	(₱929)	₱844,090	(₱535,598)	₱10,503,704
General and administrative	₱119,982	₱113,550	₱340,897	₱251,235	₱47,364	₱267,911	₱–	₱62,635	₱–	₱865,876	(₱526,642)	₱1,542,808
Finance income	6,554	29,797	81,800	167,724	575	146,694	1,449	4,409	–	336,196	(251,133)	524,065
Finance expenses	3,262	7,243	22,722	21,227	3,347	423,357	–	56,270	–	63,923	(154,650)	446,701
Provision for (benefit from) income tax	177,571	186,585	1,094,239	697,716	(93,916)	13,880	(3,195)	–	–	158,759	(3,643)	2,227,996
Net income (loss) attributable to equity holders of the parent	655,524	693,974	2,488,481	1,557,479	(262,433)	(84,738)	52,930	434,734	–	(1,786,295)	–	3,749,656
Segment assets	₱2,023,949	₱1,915,148	₱9,561,078	₱6,428,962	₱2,447,034	₱25,002,587	₱680,501	₱1,021,335	₱–	₱33,850,072	(₱25,443,457)	₱57,487,209
Deferred income tax assets - net	22,568	23,659	39,604	129,802	176,058	–	–	–	–	47,909	–	439,600
Total assets	₱2,046,517	₱1,938,807	₱9,600,682	₱6,558,764	₱2,623,092	₱25,002,587	₱680,501	₱1,021,335	₱–	₱33,897,981	(₱25,443,457)	₱57,926,809
Segment liabilities	₱344,716	₱381,430	₱1,862,414	₱1,657,824	₱3,176,456	₱20,998,341	₱19,393	₱339,598	₱–	₱1,601,072	(₱15,938,344)	₱14,442,900
Deferred income tax liabilities - net	–	–	–	–	–	20,669	–	–	–	847	357,407	378,923
Total liabilities	₱344,716	₱381,430	₱1,862,414	₱1,657,824	₱3,176,456	₱21,019,010	₱19,393	₱339,598	₱–	₱1,601,919	(₱15,580,937)	₱14,821,823
Other segment information:												
Capital expenditures	₱742,818	₱185,562	₱1,153,315	₱696,009	₱685,084	₱2,951,375	₱2,486	₱19,163	₱–	₱153,930	₱–	₱6,589,742
Depreciation, amortization and depletion	₱187,274	₱130,841	₱813,544	₱260,829	₱127,740	₱303,516	₱55,525	₱53,193	₱–	₱79,793	(₱6,600)	₱2,005,655

	March 31, 2023 (Unaudited)											
	Mining					Power		Services				
	HMC	CMC	TMC	RTN	DMC	EPI	NAC	RTN/TMC/CDTN	HMC	Others	Eliminations	Total
External customers	₱–	₱–	₱1,052,412	₱2,494,459	₱–	₱182,252	₱41,042	₱272,209	₱–	₱–	₱–	₱4,042,374
Inter-segment revenues	–	–	–	–	–	–	–	19,190	–	122,988	(142,178)	–
Total revenues	–	–	1,052,412	2,494,459	–	182,252	41,042	291,399	–	122,988	(142,178)	4,042,374
Cost of sales	–	–	518,177	727,763	–	–	–	–	–	–	(20,608)	1,225,332
Cost of services	–	–	–	–	–	–	–	182,813	–	–	(6,382)	176,431
Cost of power generation	–	–	–	–	–	90,436	30,142	–	–	–	514	121,092
Shipping and loading costs	19,740	12,163	34,026	107,419	–	–	–	–	–	–	741	174,089
Excise taxes and royalties	–	–	105,242	124,723	–	–	–	–	–	–	–	229,965
Marketing	–	–	36,834	86,154	–	–	–	–	–	–	(122,988)	–
Segment operating earnings (loss)	(₱19,740)	(₱12,163)	₱358,133	₱1,448,400	₱–	₱91,816	₱10,900	₱108,586	₱–	₱122,988	(₱116,443)	₱2,115,465
General and administrative	₱9,287	₱34,798	₱25,031	₱32,941	₱6,040	₱33,572	₱–	₱23,764	₱–	₱149,695	₱4,750	₱319,878
Finance income	2,267	9,063	12,809	38,646	523	9,130	334	488	–	94,107	(58,207)	109,160
Finance expenses	775	1,221	9,713	5,877	–	118,179	6	12,862	–	16,251	(41,505)	123,379
Provision for (benefit from) income tax	9,442	(1,520)	87,045	353,368	–	4,443	–	–	–	328	(466)	452,640
Net income (loss) attributable to equity holders of the parent	(46,274)	(52,664)	193,050	716,383	(7,608)	25,352	11,228	69,476	–	60,745	–	969,688
Segment assets	₱1,464,911	₱1,898,458	₱8,996,683	₱7,869,519	₱1,959,716	₱16,662,251	₱725,058	₱554,949	₱–	₱32,364,809	(₱20,304,067)	₱52,192,287
Deferred income tax assets - net	25,626	40,867	40,852	113,766	82,142	1,047	–	–	–	135,784	–	440,084
Total assets	₱1,490,537	₱1,939,325	₱9,037,535	₱7,983,285	₱2,041,858	₱16,663,298	₱725,058	₱554,949	₱–	₱32,500,593	(₱20,304,067)	₱52,632,371
Segment liabilities	₱287,934	₱268,465	₱2,494,775	₱1,984,489	₱2,321,040	₱14,014,326	₱15,960	₱126,988	₱–	₱1,434,426	(₱12,082,675)	₱10,865,728
Deferred income tax liabilities	–	–	–	–	–	13,748	–	–	–	797	345,296	359,841
Total liabilities	₱287,934	₱268,465	₱2,494,775	₱1,984,489	₱2,321,040	₱14,028,074	₱15,960	₱126,988	₱–	₱1,435,223	(₱11,737,379)	₱11,225,569
Other segment information:												
Capital expenditures	₱224,036	₱64,479	₱592,792	₱135,814	₱8,449	₱184,430	₱544	₱3,349	₱–	₱5,802	₱–	₱1,219,695
Depreciation, amortization and depletion	₱36,340	₱32,882	₱168,568	₱57,932	₱14,412	₱67,120	₱13,853	₱12,633	₱–	₱18,068	(₱2,346)	₱419,462

The Group has revenues from external customers as follows:

	For the three-month period ended March 31	
	2024	2023
Country of Domicile	(Unaudited)	
Local	**₱1,788,017**	₱2,374,233
China	**624,468**	1,668,141
Singapore	**248,344**	–
	₱2,660,829	₱4,042,374

The revenue information above is based on the location of the customers. The local customers include CBNC and THNC, which are Philippine Economic Zone Authority-registered entities.

The revenue from key customers are as follows:

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	
THNC	**₱881,164**	₱1,158,597
CBNC	**644,578**	985,755
Big Wave Resources Co., Limited	**398,803**	909,857
Ningbo Lygend Wisdom Co. Ltd.	**80,332**	472,095
	₱2,004,877	₱3,526,304

34. Event after the End of the Financial Reporting Period

On May 3, 2024, the DOE notified MGPC that GRESC No. 2016-02-060 between the DOE and MGPC was terminated due to the latter's delay in complying with its work commitments under the approved Work Program for the years 2021 to 2023. MGPC will appeal the termination of the service contract.