

COVER SHEET

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SEC Registration Number

N I C K E L A S I A C O R P O R A T I O N A N D S U B S I D I A R I E S

(Company's Full Name)

2 8 t h F l o o r N A C T o w e r , 3 2 n d S t r e e t B o n i f a c i o G l o b a l C i t y , T a g u i g C i t y

(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

99

Total No. of Stockholders

₱9,551.4 million

Domestic

₱-

Foreign

To be accomplished by SEC Personnel concerned

File Number

_____ LCU

Document ID

_____ Cashier

STAMPS

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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 Six Months Ended

June 30, 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: JUNE 30, 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, 1634
Bonifacio Global City, Taguig City
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	Php9,551.4 million

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

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

Yes [] No []



August 7, 2024

Atty. Stefanie Ann B. Go
Officer-in-Charge, Disclosure Department
Philippine Stock Exchange Tower,
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Mr. Vicente Graciano P. Felizmenio, Jr.
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Corporation**

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Re : SEC Form 17-Q 2024 2nd 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 June 30, 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
JUNE 30, 2024

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PART I – FINANCIAL INFORMATION

Item A. Financial Statements

The Unaudited Interim Condensed Consolidated Financial Statements as at June 30, 2024 (with Comparative Audited Statement of Financial Position as at December 31, 2023) and for the six-month period ended June 30, 2024 and 2023 are hereto attached.

The following tables set forth the summary financial information for the six-month period ended June 30, 2024 and 2023 and as at June 30, 2024 and December 31, 2023:

Summary Consolidated Statements of Income

	For the Six Months Ended June 30		Increase (Decrease)	Percent Inc (Dec)
	2024	2023		
	<i>(In Thousand Pesos)</i>			
Revenues	₱9,291,475	₱10,921,879	(₱1,630,404)	-15%
Costs	(4,971,777)	(4,651,926)	319,851	7%
Operating expenses	(2,291,913)	(2,367,246)	(75,333)	-3%
Finance income	307,731	223,275	84,456	38%
Finance expenses	(235,020)	(283,114)	(48,094)	-17%
Equity in net loss of associates	(388,205)	(77,429)	310,776	401%
Other income - net	644,607	96,958	547,649	565%
Provision for income tax	(617,444)	(1,075,577)	(458,133)	-43%
Net income	₱1,739,454	₱2,786,820	(₱1,047,366)	-38%
Net income attributable to:				
Equity holders of the parent	₱1,116,438	₱1,746,395	(₱629,957)	-36%
Non-controlling interests	623,016	1,040,425	(417,409)	-40%
	₱1,739,454	₱2,786,820	(₱1,047,366)	-38%

Summary Consolidated Statements of Financial Position

	June 30,	December 31,	Increase (Decrease)	Percent Inc (Dec)
	2024 (Unaudited)	2023 (Audited)		
	<i>(In Thousand Pesos)</i>			
Current assets	₱23,086,362	₱23,488,558	(₱402,196)	-2%
Noncurrent assets	38,020,388	34,438,251	3,582,137	10%
Total assets	₱61,106,750	₱57,926,809	₱3,179,941	5%
Current liabilities	₱12,140,104	₱9,990,199	₱2,149,905	22%
Noncurrent liabilities	4,999,386	4,831,624	167,762	3%
Equity attributable to equity holders of the parent	36,354,043	36,258,779	95,264	0%
Non-controlling interests	7,613,217	6,846,207	767,010	11%
Total liabilities and equity	₱61,106,750	₱57,926,809	₱3,179,941	5%

Summary Consolidated Statements of Cash Flows

	For the Six Months Ended June 30		Increase (Decrease)	Percent Inc (Dec)
	2024	2023		
	<i>(In Thousand Pesos)</i>			
Net cash flows from (used in):				
Operating activities	₱2,398,190	₱3,291,530	(₱893,340)	-27%
Investing activities	(3,403,404)	(1,521,436)	(1,881,968)	-124%
Financing activities	(1,025,129)	309,713	(1,334,842)	-431%
Net increase (decrease) in cash and cash equivalents	(2,030,343)	2,079,807	(4,110,150)	-198%
Cash and cash equivalents, beginning	15,482,465	10,809,026	4,673,439	43%
Cash and cash equivalents, end	₱13,452,122	₱12,888,833	₱563,289	4%

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 six months ended June 30, 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.

Six months ended June 30, 2024 compared with six months ended June 30, 2023

Revenues

	2024	2023
	<i>(In Thousands)</i>	
Sale of ore and limestone	₱7,898,525	₱9,365,594
Services	667,447	1,081,807
Sale of power	725,503	474,478
	₱9,291,475	₱10,921,879

Revenues during the first half of 2024 were ₱9,291.5 million, lower by ₱1,630.4 million, or 15%, compared to ₱10,921.9 million during the same period last year.

Sale of Ore

Revenues from the sale of ore were down by 16% due to lower nickel ore prices resulting from the present oversupply situation facing the nickel industry.

The Group's operating mines sold a combined 8.16 million wet metric tons (WMT) of nickel ore during the first half of 2024, or 9% higher than last year's 7.52 million WMT. The weighted average nickel ore sales price during the period dropped by 26% to \$16.60/WMT, compared with \$22.32/WMT in the same period last year. The Group realized ₱57.50/US\$ from these nickel ore sales, a 4% increase from ₱55.33/US\$ year-on-year.

Breaking down the ore sales, the Group exported 4.23 million WMT of saprolite and limonite ore at an average price of \$21.95/WMT during the first half of 2024, compared to 3.66 million WMT at \$28.22/WMT in the same period last year. Similarly, the Group delivered 3.93 million WMT of limonite ore to the Coral Bay and Taganito High-Pressure Acid Leach (HPAL) plants, realizing an average price of \$7.94 per pound of payable nickel. This compares to 3.86 million WMT at \$11.03 per pound of payable nickel during the first half of 2023. Expressed in US\$ per WMT, deliveries to the two HPAL plants generated \$10.84 and \$16.72 in the first half of 2024 and 2023, respectively.

On a per mine basis, the Group's Rio Tuba mine exported 1.09 million WMT of saprolite ore and delivered 1.34 million WMT of limonite ore to the Coral Bay processing plant during the first half of 2024. This compares to sales of 0.82 million WMT of saprolite ore and 1.39 million WMT of limonite ore to the Coral Bay processing plant during the same period last year.

The Group's Taganito mine exported 1.53 million WMT of saprolite and limonite ore and delivered 2.43 million WMT of limonite ore to the Taganito processing plant during the first half of 2024. Compared to the same period last year, there were 1.43 million WMT of saprolite ore and 2.28 million WMT of limonite ore delivered to the Taganito processing plant.

The Group's Hinatuan, Cagdianao, and Dinapigue mines exported 0.81 million WMT, 0.59 million WMT, and 0.21 million WMT, respectively, of saprolite and limonite ore during the first half of 2024, and 0.66 million WMT, 0.70 million WMT, and 0.05 million WMT, respectively, during the first half of 2023. Aside from the limonite ore deliveries from the Rio Tuba mine, the Group's Cagdianao and Dinapigue mines also delivered limonite ore to the Coral Bay processing plant for a total of 0.16 million WMT and 0.19 million WMT during the first half of 2024 and 2023, respectively.

Sale of Limestone

Limestone deliveries to Coral Bay Nickel Corporation (CBNC) jumped by 38%, resulting in an increase in revenue from the sale of limestone during the first half of 2024, which was higher by 37% at ₱107.5 million, compared to ₱78.2 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. (CDTN) 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 during the first half of 2023 was higher by ₱414.4 million at ₱1,081.8 million compared to the current period's ₱667.4 million, mainly because of the equipment rental related to the stabilization of CBNC's TSF-3 project that was completed in December 2023.

Sale of Power

Revenue from the sale of power during the first half of 2024 amounted to ₱725.5 million, or 53% higher than last year's ₱474.5 million, mainly on account of the 56% increase, or 43.2 million kilowatts per hour (kWh), in the generation volume of the Group's power plants owing to higher available capacity of Jobin-SQM, Inc. (JSI) during the current period compared to the same period last year. Aside from this, there was also a 3% increase in the year-on-year average effective price, from ₱5.31/kWh to ₱5.49/kWh.

Costs

Costs went up by 7%, or ₱319.9 million, from ₱4,651.9 million to ₱4,971.8 million.

	2024	2023
	(In Thousands)	
Cost of sales	₱4,297,632	₱3,699,022
Services	389,473	699,922
Power generation	284,672	252,982
	<u>₱4,971,777</u>	<u>₱4,651,926</u>

Cost of Sales

The higher production cost during the current period was attributable to the higher volume handled by the contractors, and some of the mines exceeded their target volume for material movement during preparation for the loading season of this period's second quarter. Moreover, the volume sold during the first half of 2024 increased by 9%.

Cost of Services

The cost of services declined by 44% from ₱699.9 million to ₱389.5 million following the completion of CBNC's TSF-3 project that was handled by CDTN. Thus, the volume of materials handled during the first half of the current year was lower by 28% compared to the same period last year.

Cost of Power Generation

The cost of power generation slightly went up by 13% to ₱284.7 million from ₱253.0 million because of higher generation volume, which increased by 56% compared to the same period in the year prior, due to higher available capacity of JSI.

Operating Expenses

	2024	2023
	(In Thousands)	
Shipping and loading costs	₱894,916	₱911,917
General and administrative	719,010	660,028
Excise taxes and royalties	650,729	770,593
Marketing	27,258	24,708
	<u>₱2,291,913</u>	<u>₱2,367,246</u>

Shipping and Loading Costs

Shipping and loading costs were down by 2%. During the first half 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.

General and Administrative

General and administrative expenses were slightly higher by 9% at ₱719.0 million as against ₱660.0 million in the year prior. Taxes related to the land acquisition of San Isidro Solar Power Corporation and the documentary stamp tax on loans and advances increased. Personnel costs also increased due to the annual merit increases of the employees and the cost of newly hired employees. However, since no donations were made in the current period compared to the ₱25.0 million in the year prior, this partially offset the increase in the account.

Excise Taxes and Royalties

Excise taxes and royalties slid by 16% to ₱650.7 million from ₱770.6 million, due to the 16% decline in revenue from the sale of nickel ore and limestone resulting from lower nickel ore prices during the first half of 2024.

Marketing

The marketing cost, which includes commission and is based on a certain percentage of revenue, was higher by 10% during the current period. The commission is based on CMC's revenue only, and CMC's revenue from the sale of ore was 10% higher during the first half of 2024 compared to the same period last year.

Finance Income

Finance income improved by 38% to ₱307.7 million from ₱223.3 million because of the improvements in short-term cash investment rates, around 5% during the first half of the current year, compared to around 4% during the same period last year.

Finance Expenses

Finance expenses dropped by 17% during the first half of 2024 on account of higher capitalized borrowing costs during the current period.

Equity in Net Loss of Associates

The Parent Company registered a loss from its equity interests in the two HPAL plants in the combined amount of ₱388.2 million during the current period, compared to ₱77.4 million in the year prior. 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 ₱644.6 million during the current period, compared to ₱97.0 million during the same period last year. In the first half of 2024, the Group recognized net foreign exchange gains of ₱479.8 million, a significant turnaround from last year's ₱71.1 million losses due to weak peso as against the US dollar since the year-on-year foreign exchange rate increased by an average of 4.58%.

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, thus the net provision for income tax slid by 43%.

Net Income

As a result of the foregoing, the consolidated net income was ₱1,739.5 million during the first half of 2024, compared to ₱2,786.8 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 half of the current year amounted to ₱1,116.4 million, compared to ₱1,746.4 million during the same period last year.

STATEMENT OF FINANCIAL POSITION

Total assets as of June 30, 2024, were ₱61,106.7 million, compared to ₱57,926.8 million as of December 31, 2023. Current assets slid by 2% to ₱23,086.4 million from ₱23,488.6 million, while noncurrent assets rose from ₱34,438.3 million to ₱38,020.4 million, mainly due to acquisitions of property and equipment, including advances and downpayments made to suppliers.

Current liabilities were higher by 22%, from ₱9,990.2 million to ₱12,140.1 million, due to the cash dividends to non-controlling interests amounting to ₱600.6 million, which is payable in August 2024, and due to the availments of additional short-term bank loans amounting to ₱1,127.6 million.

Noncurrent liabilities of ₱4,999.4 million were slightly higher by 3% than the end of last year's ₱4,831.6 million due to the additional accruals of employees' retirement benefits and the increase in deferred income tax liabilities.

The equity net of non-controlling interests was almost the same at ₱36,354.0 million due to the net effect of earnings during the current period.

STATEMENT OF CASH FLOWS

During the first half of 2024, the Group's net cash flows from operating activities amounted to ₱2,398.2 million as against the prior year's ₱3,291.5 million since collections from the sale of ore in the current year 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 half of the current year, which amounted to ₱4,627.7 million compared to ₱3,587.7 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 increase liquidity. As a result, the Group received higher net cash from investments during the first half of 2023 and lower in the first half of 2024.

The Group is in a positive cash position for its financing activities during the first half of 2023 due to the additional bank loans obtained by Emerging Power Inc. (EPI) and JSI, amounting to a total of ₱2,330.7 million, net of debt issue costs. Compared to the current period, the Group only drew ₱1,155.3 million in bank loans for the construction of the causeway and to fund the Group's solar projects. Financing activities during the first half of 2024 pertain mainly to payments of interest on loans, which were higher in the current period due to the higher loan principal, and higher cash dividend payments.

As of June 30, 2024 and 2023, cash and cash equivalents amounted to ₱13,452.1 million and ₱12,888.8 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, general and administrative, excise taxes and royalties, and marketing incurred by the Group.

The average cost per volume of nickel ore sold for the first half of 2024 was ₱778/WMT based on aggregate costs of ₱6,350.6 million and total sales volume of 8.16 million WMT of ore. This compares to ₱779/WMT during the first half of 2023 based on aggregate costs of ₱5,860.4 million and total sales volume of 7.52 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 half of 2024 was ₱1,116.4 million compared to ₱1,746.4 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 half of 2024 and 2023, there were around 36 and 43 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 half of 2024 and 2023.

Recent Developments

Power

- The following wholly owned subsidiaries of EPI were incorporated in February 2024: 1) Emerging Energy Resources, 1, Inc.; 2) Emerging Energy Resources, 2, Inc.; 3) Emerging Energy Resources, 3, Inc.; and 4) Emerging Energy Saver Corporation.
- On February 28, 2024, 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.
- On May 3, 2024, the Department of Energy (DOE) notified Mindoro Geothermal Power Corporation (MGPC) that Geothermal Renewable Energy Service Contract (GRES) No. 2010-02-013 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 appealed the termination of the service contract.
- After a thorough review of the documents submitted by MGPC, the DOE granted on July 5, 2024 the reinstatement of GRES No. 2010-02-013 and approved the proposed 5-year Work Program, subject to non-negotiable milestones. MGPC's failure to comply with the milestone shall result in the termination with finality of the GRES.
- Pre-development activities on Northern Palawan Power Generation Corporation's (NPPGC) Cawag solar project 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.

On June 4, 2024, NPPGC has received the System Impact Study Final Review Report and is waiting for the approved Facility Study from the National Grid Corporation of the Philippines.

Mining

- The construction of the Dinapigue causeway project was completed in July 2024.

Liquidity and Capital Resources

As at June 30, 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 June 30, 2024 and December 31, 2023, the Group's working capital, defined as the difference between the current assets and current liabilities, was ₱10,946.3 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 Group 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 Security Bank Corporation (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 into 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. During the first half of 2024 and 2023, HMC's tonnage consists of 10% and 9%, respectively, of the Group's total ore sold.

Termination of MGPC's GRESC No. 2010-02-013

On May 3, 2024, the DOE notified MGPC that GRESC No. 2010-02-013 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 appealed the termination of the service contract.

After a thorough review of the documents submitted by MGPC, the DOE granted on July 5, 2024 the reinstatement of GRESC No. 2010-02-013 and approved the proposed 5-year Work Program, subject to non-negotiable milestones. MGPC's failure to comply with the milestone shall result in the termination with finality of the GRESC.

As at June 30, 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 June 30, 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 SIX MONTHS ENDED JUNE 30, 2024 AND 2023

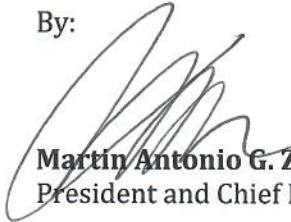
Ratios	Formula	2024	2023
<i>A. Liquidity analysis ratios</i>			
Current ratio or working capital ratio	Current assets / Current liabilities	1.90	2.76
Quick ratio	Current assets - Inventories - Prepayments and other current assets / Current liabilities	1.47	2.17
Solvency ratio	Total assets / Total liabilities	3.57	4.17
<i>B. Financial leverage ratios</i>			
Debt ratio	Total liabilities / Total assets	0.28	0.24
Debt-to-equity ratio	Total liabilities / Total equity	0.39	0.32
Asset-to-equity ratio	Total assets / Total equity	1.39	1.32
Interest coverage ratio	Earnings before interest and taxes / Interest expense	6.98	15.45
<i>C. Profitability ratios</i>			
Net profit margin	Net income / Revenue	0.19	0.26
Return on assets	Net income / Total assets	0.03	0.05
Return on equity	Net income / Total equity	0.04	0.07
Gross profit margin	Sales - Costs / Revenue	0.46	0.57
Price/earnings ratio	Price per share / Earnings Per Share	46.38	46.00

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

August 7, 2024



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

August 7, 2024

NICKEL ASIA CORPORATION
SEC FORM 17-Q
INDEX TO FINANCIAL STATEMENTS
JUNE 30, 2024

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Interim Consolidated Statements of Financial Position as at June 30, 2024 and
December 31, 2023

Interim Consolidated Statements of Income for the six-month period ended
June 30, 2024 and 2023

Interim Consolidated Statements of Comprehensive Income for the six-month period ended
June 30, 2024 and 2023

Interim Consolidated Statements of Changes in Equity for the six-month period ended
June 30, 2024 and 2023

Interim Consolidated Statements of Cash Flows for the six-month period ended
June 30, 2024 and 2023

Notes to Consolidated Financial Statements

NICKEL ASIA CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024
(With Comparative Audited Figures as at December 31, 2023)
(Amounts in Thousands)

	June 30, 2024	December 31, 2023
	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱13,452,122	₱15,482,465
Trade and other receivables (Notes 5 and 29)	2,522,908	1,571,932
Inventories (Note 6)	2,939,954	3,037,699
Financial assets at (Note 7):		
Fair value through profit or loss (FVTPL)	1,375,482	1,291,477
Fair value through other comprehensive income (FVOCI)	442,730	469,914
Amortized cost	10,000	35,000
Prepayments and other current assets	2,343,166	1,600,071
Total Current Assets	23,086,362	23,488,558
Noncurrent Assets		
Property and equipment (Note 8)	22,617,424	18,692,297
Investments in associates (Note 9)	6,028,308	5,484,980
Geothermal exploration and evaluation assets (Note 10)	1,904,135	1,896,637
Financial assets at - net of current portion (Note 7):		
FVTPL	1,001,823	968,493
Amortized cost	375,000	375,000
Deferred income tax assets - net	393,612	439,600
Other noncurrent assets	5,700,086	6,581,244
Total Noncurrent Assets	38,020,388	34,438,251
TOTAL ASSETS	₱61,106,750	₱57,926,809
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 11 and 29)	₱3,941,109	₱2,940,279
Short-term debts (Note 12)	6,979,196	5,848,095
Income tax payable	353,492	321,993
Current portion of:		
Long-term debt (Notes 12 and 29)	320,328	345,764
Lease liabilities (Note 30)	32,257	54,346
Other current liability	513,722	479,722
Total Current Liabilities	12,140,104	9,990,199
Noncurrent Liabilities		
Noncurrent portion of:		
Long-term debts (Notes 12 and 29)	2,251,831	2,341,836
Lease liabilities (Note 30)	799,168	779,075
Deferred income	31,423	33,519
Provision for mine rehabilitation and decommissioning (Note 13)	922,403	909,551
Deferred income tax liabilities	525,241	378,923
Pension liability	469,320	388,720
Total Noncurrent Liabilities	4,999,386	4,831,624
Total Liabilities	17,139,490	14,821,823

(Forward)

	June 30, 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)	1,660,988	869,185
Cost of share-based payment plan (Note 15)	154,296	154,296
Asset revaluation surplus	29,608	29,799
Net valuation losses on financial assets at FVOCI	(3,246)	(1,315)
Retained earnings:		
Unappropriated	18,305,635	19,000,052
Appropriated (Note 14)	135,000	135,000
Treasury stock (Note 14)	(134,014)	(134,014)
	36,354,043	36,258,779
Non-controlling Interests (NCI)	7,613,217	6,846,207
Total Equity	43,967,260	43,104,986
TOTAL LIABILITIES AND EQUITY	₱61,106,750	₱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 JUNE 30, 2024 AND 2023
(Amounts in Thousands, Except Earnings per Share)

	2024	2023
	(Unaudited)	
REVENUES (Notes 28 and 29)		
Sale of ore and limestone	₱5,810,695	₱5,818,724
Sale of power	475,575	251,184
Services	344,376	809,597
	6,630,646	6,879,505
COSTS		
Cost of sales (Note 17)	3,135,947	2,473,690
Services (Note 18)	184,486	523,491
Power generation (Note 19)	152,124	131,890
	3,472,557	3,129,071
OPERATING EXPENSES		
Shipping and loading costs (Note 20)	735,366	737,828
General and administrative (Note 21)	399,019	340,150
Excise taxes and royalties (Note 22)	507,455	540,628
Marketing	27,258	24,708
	1,669,098	1,643,314
FINANCE INCOME (Note 25)	149,487	114,115
FINANCE EXPENSES (Note 26)	(115,937)	(159,735)
EQUITY IN NET LOSS OF ASSOCIATES (Note 9)	(194,309)	(329,549)
OTHER INCOME - net (Note 27)	470,928	187,684
INCOME BEFORE INCOME TAX	1,799,160	1,919,635
PROVISION FOR INCOME TAX (Note 31)		
Current	406,489	518,836
Deferred	38,141	104,101
	444,630	622,937
NET INCOME	₱1,354,530	₱1,296,698
Net income attributable to:		
Equity holders of the parent	₱914,062	₱776,707
NCI	440,468	519,991
	₱1,354,530	₱1,296,698
Basic/Diluted Earnings Per Share (EPS; Note 16)	₱0.07	₱0.06

See accompanying Notes to Unaudited Consolidated Financial Statements.

NICKEL ASIA CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED
STATEMENTS OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(Amounts in Thousands, Except Earnings per Share)

	2024	2023
	(Unaudited)	
REVENUES (Notes 28 and 29)		
Sale of ore and limestone	₱7,898,525	₱9,365,594
Sale of power	725,503	474,478
Services	667,447	1,081,807
	9,291,475	10,921,879
COSTS		
Cost of sales (Note 17)	4,297,632	3,699,022
Services (Note 18)	389,473	699,922
Power generation (Note 19)	284,672	252,982
	4,971,777	4,651,926
OPERATING EXPENSES		
Shipping and loading costs (Note 20)	894,916	911,917
General and administrative (Note 21)	719,010	660,028
Excise taxes and royalties (Note 22)	650,729	770,593
Marketing	27,258	24,708
	2,291,913	2,367,246
FINANCE INCOME (Note 25)	307,731	223,275
FINANCE EXPENSES (Note 26)	(235,020)	(283,114)
EQUITY IN NET LOSS OF ASSOCIATES (Note 9)	(388,205)	(77,429)
OTHER INCOME - net (Note 27)	644,607	96,958
INCOME BEFORE INCOME TAX	2,356,898	3,862,397
PROVISION FOR INCOME TAX (Note 31)		
Current	564,868	1,010,375
Deferred	52,576	65,202
	617,444	1,075,577
NET INCOME	₱1,739,454	₱2,786,820
Net income attributable to:		
Equity holders of the parent	₱1,116,438	₱1,746,395
NCI	623,016	1,040,425
	₱1,739,454	₱2,786,820
Basic/Diluted EPS (Note 16)	₱0.08	₱0.13

See accompanying Notes to Unaudited Consolidated Financial Statements.

NICKEL ASIA CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(Amounts in Thousands)

	2024	2023
	(Unaudited)	
NET INCOME	₱1,739,454	₱2,786,820
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Other comprehensive income (loss) to be reclassified to consolidated statements of income in subsequent periods:</i>		
Share in translation adjustment of associates	791,803	(548,263)
Net valuation gains (losses) on financial assets at FVOCI	(1,931)	2,925
Net other comprehensive income (loss) to be reclassified to consolidated statements of income in subsequent periods	789,872	(545,338)
<i>Other comprehensive loss not to be reclassified to consolidated statements of income in subsequent periods:</i>		
Asset revaluation surplus	(191)	(191)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS) - NET OF TAX	789,681	(545,529)
TOTAL COMPREHENSIVE INCOME - NET OF TAX	₱2,529,135	₱2,241,291
Total comprehensive income attributable to:		
Equity holders of the parent	₱1,906,119	₱1,200,866
NCI	623,016	1,040,425
	₱2,529,135	₱2,241,291

See accompanying Notes to Unaudited Consolidated Financial Statements.

NICKEL ASIA CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023

(Amounts in Thousands)

	Equity Attributable to Equity Holders of the Parent										Total	NCI	Total
	Capital Stock (Note 14)	Additional Paid-in Capital (Note 14)	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)	Retained Earnings		Treasury Stock (Note 14)				
						Unappropriated	Appropriated (Note 14)						
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	-	-	-	-	-	-	1,116,438	-	-	1,116,438	623,016	1,739,454	
Other comprehensive income (loss) - net of tax	-	-	791,803	-	(191)	(1,931)	-	-	-	789,681	-	789,681	
Total comprehensive income (loss)	-	-	791,803	-	(191)	(1,931)	1,116,438	-	-	1,906,119	623,016	2,529,135	
Cash dividends - ₱0.13 per share	-	-	-	-	-	-	(1,811,046)	-	-	(1,811,046)	-	(1,811,046)	
Cash dividends to NCI	-	-	-	-	-	-	-	-	-	-	(670,000)	(670,000)	
Investment of NCI in a subsidiary	-	-	-	-	-	-	-	-	-	-	813,994	813,994	
Asset revaluation surplus transferred to retained earnings	-	-	-	-	-	-	191	-	-	191	-	191	
Balances at June 30, 2024 (Unaudited)	₱6,999,974	₱9,205,802	₱1,660,988	₱154,296	₱29,608	(₱3,246)	₱18,305,635	₱135,000	(₱134,014)	₱36,354,043	₱7,613,217	₱43,967,260	

See accompanying Notes to Unaudited Consolidated Financial Statements.

NICKEL ASIA CORPORATION
17-Q Quarterly Report
June 30, 2024

	Equity Attributable to Equity Holders of the Parent										Total	NCI	Total
	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		Treasury Stock				
							Unappropriated	Appropriated (Note 14)	(Note 14)				
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	-	-	-	-	-	-	1,746,395	-	-	1,746,395	1,040,425	2,786,820	
Other comprehensive income (loss) - net of tax	-	-	(548,263)	-	(191)	2,925	-	-	-	(545,529)	-	(545,529)	
Total comprehensive income (loss)	-	-	(548,263)	-	(191)	2,925	1,746,395	-	-	1,200,866	1,040,425	2,241,291	
Issuance of shares upon exercise of stock options	135,369	840,447	-	(333,971)	-	-	-	-	-	641,845	-	641,845	
Cash dividends - ₱0.17 per share	-	-	-	-	-	-	(2,317,245)	-	-	(2,317,245)	-	(2,317,245)	
Asset revaluation surplus transferred to retained earnings	-	-	-	-	-	-	191	-	-	191	-	191	
Balances at June 30, 2023 (Unaudited)	₱6,985,205	₱9,112,347	₱851,972	₱188,866	₱29,991	(₱3,009)	₱18,047,934	₱135,000	(₱134,014)	₱35,214,292	₱5,882,609	₱41,096,901	

See accompanying Notes to Unaudited Consolidated Financial Statements.

NICKEL ASIA CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(Amounts in Thousands)

	2024	2023
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱2,356,898	₱3,862,397
Adjustments for:		
Depreciation, amortization, and depletion (Notes 8 and 24)	976,913	921,867
Equity in net loss of associates (Note 9)	388,205	77,429
Interest income (Note 25)	(307,731)	(223,275)
Interest expense (Notes 12 and 26)	169,097	226,977
Gain on:		
Sale of property and equipment (Note 27)	(51,449)	(13,683)
Changes in fair value of financial assets at FVTPL (Notes 7 and 27)	(24,649)	(27,265)
Sale of financial assets at FVOCI (Note 27)	1	-
Movements in:		
Pension liability	54,844	68,501
Deferred income	(2,095)	(2,095)
Accretion of interest on:		
Lease liabilities (Notes 26 and 30)	35,690	28,945
Provision for mine rehabilitation and decommissioning (Notes 13 and 26)	12,852	11,389
Unrealized foreign exchange gains - net	(45,123)	(9,813)
Dividend income (Notes 7 and 27)	(41,477)	(19,698)
Provisions for impairment losses on advances to suppliers (Note 27):	-	2,791
Operating income before working capital changes	3,521,976	4,904,467
Decrease (increase) in:		
Trade and other receivables	(931,641)	(654,288)
Prepayments and other current assets	(743,095)	(980,796)
Inventories	97,745	(330,302)
Increase in trade and other payables	986,574	1,439,140
Net cash generated from operations	2,931,559	4,378,221
Income taxes paid	(533,369)	(1,086,691)
Net cash flows from operating activities	2,398,190	3,291,530
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment (Note 8)	(4,627,744)	(3,587,722)
Financial assets at (Note 7):		
FVTPL	(546,957)	(437,337)
FVOCI	(68,140)	(86,765)
Increase in:		
Other noncurrent assets	813,471	(211,080)
Geothermal exploration and evaluation assets	(7,498)	(6,082)
Proceeds from sale or redemption of:		
Financial assets at (Note 7):		
FVTPL	528,404	2,515,241
FVOCI	93,394	34,048
Amortized cost	25,000	-
Property and equipment	56,793	13,692
Interest received	288,396	224,614
Dividends received	41,477	19,955
Net cash flows used in investing activities	(3,403,404)	(1,521,436)

(Forward)

NICKEL ASIA CORPORATION
17-Q Quarterly Report
June 30, 2024

	2024	2023
	(Unaudited)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Cash dividends	(₱2,481,046)	(₱2,317,245)
Interest	(312,998)	(176,427)
Long-term debts	(175,296)	(136,840)
Principal portion of lease liabilities (Note 30)	(37,686)	(32,313)
Debt issue cost, short-term debts	(21,390)	-
Proceeds from availment of:		
Short-term debts, net of debt issue costs	1,127,597	1,980,693
Long-term debts, net of debt issue costs	27,696	350,000
Investment of NCI in a subsidiary	813,994	-
Increase in other current liability	34,000	-
Proceeds from exercise of stock options	-	641,845
Net cash flows from (used in) financing activities	(1,025,129)	309,713
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,030,343)	2,079,807
CASH AND CASH EQUIVALENTS AT JANUARY 1	15,482,465	10,809,026
CASH AND CASH EQUIVALENTS AT JUNE 30 (Note 4)	₱13,452,122	₱12,888,833

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.

The Subsidiaries

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 August 7, 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 (GRES) 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 GRES 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 June 30, 2024, 225kWh ORC is expected to be delivered in the second quarter of 2025. The flow testing is expected to commence within the first quarter of 2027, 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 June 30, 2024, NPPGC is in the pre-operating stage.

Emerging Energy Resources, 1, Inc. (EER1)

EER1 was registered with the SEC on February 12, 2024, is an 86.29% owned subsidiary of the Parent Company through EPI and is primarily engaged in the renewable energy business and carry on the business of producing and generating and sale of electricity from various sources in the Philippines that are utility scale and grid connected. As at June 30, 2024, EER1 is in the pre-operating stage.

Emerging Energy Resources, 2, Inc. (EER2)

EER2 was registered with the SEC on February 12, 2024, is an 86.29% owned subsidiary of the Parent Company through EPI and is primarily engaged in the renewable energy business and carry on the business of producing and generating and sale of electricity from various sources in the Philippines that are utility scale and grid connected. As at June 30, 2024, EER2 is in the pre-operating stage.

Emerging Energy Resources, 3, Inc. (EER3)

EER3 was registered with the SEC on February 12, 2024, is an 86.29% owned subsidiary of the Parent Company through EPI and is primarily engaged in the renewable energy business and carry on the business of producing and generating and sale of electricity from various sources in the Philippines that are utility scale and grid connected. As at June 30, 2024, EER3 is in the pre-operating stage.

Emerging Energy Saver Corporation (EESC)

EESC was registered with the SEC on February 2, 2024, is an 86.29% owned subsidiary of the Parent Company through EPI and is primarily engaged in the energy business and carry on the business of producing, generating and storing electricity and processing fuel alternative for power generation. As at June 30, 2024, EESC 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 June 30, 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 June 30, 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 June 30, 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 June 30, 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 June 30, 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 June 30, 2024, SASPC is in the pre-operating stage.

The unaudited interim condensed consolidated financial statements as at June 30, 2024 and December 31, 2023 and for the six-month period ended June 30, 2024 and 2023, were authorized for issuance by the Parent Company's BOD on August 7, 2024.

2. Basis of Preparation and Consolidation and Statement of Compliance

Basis of Preparation

The accompanying unaudited interim condensed consolidated financial statements of the Group as at June 30, 2024 and for the six-month period ended June 30, 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:

	Principal Place of Business	Principal Activities	Effective Ownership	
			June 30, 2024	June 30, 2023
<i>Subsidiaries</i>				
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%
		Renewable Energy (RE)		
EPI	Philippines	Developer	86.29%	86.29%
MGPC ^(c)	Philippines	RE Developer	86.29%	86.29%

(Forward)

	Principal Place of Business	Principal Activities	Effective Ownership	
			June 30, 2024	June 30, 2023
BHI ^(c)	Philippines	Services	86.29%	86.29%
NPPGC ^(c)	Philippines	Power Generation	86.29%	86.29%
EER1 ^(c)	Philippines	Power Generation	86.29%	–
EER2 ^(c)	Philippines	Power Generation	86.29%	–
EER3 ^(c)	Philippines	Power Generation	86.29%	–
EESC ^(c)	Philippines	Power Generation	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%	–
<i>Associates</i>				
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

	June 30, 2024	December 31, 2023
	(Unaudited)	(Audited)
Cash on hand and with banks	₱8,196,489	₱4,380,179
Cash equivalents	5,254,159	11,100,453
Cash under managed funds	1,474	1,833
	₱13,452,122	₱15,482,465

5. Trade and Other Receivables

Trade and other receivables amounting to ₱34.3 million and ₱48.7 million as at June 30, 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 June 30, 2024 and December 31, 2023 are summarized below:

June 30, 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)	₱1,756,063	₱158,317	₱21,669	₱1,936,049
Amounts owed by related parties (see Note 29)	256,284	–	4,228	260,512
Advances to officers and employees	53,313	5,286	193	58,792
Interest receivable	41,665	–	–	41,665
Others	129,937	122,043	8,191	260,171
	₱2,237,262	₱285,646	₱34,281	₱2,557,189
<hr/>				
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 June 30, 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 six months ended June 30, 2024 and 2023.

As at June 30, 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 ₱475.7 million and ₱491.7 million, respectively.

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

	June 30, 2024 (Unaudited)			December 31, 2023 (Audited)		
	Financial Assets at			Financial Assets at		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Quoted instruments						
Debt securities	₱1,336,910	₱442,730	₱385,000	₱1,256,855	₱469,914	₱410,000
Equity securities	338,954	-	-	301,674	-	-
Unquoted equity instruments	701,441	-	-	701,441	-	-
	₱2,377,305	₱442,730	₱385,000	₱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:

	June 30, 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	546,957	68,140	-	2,098,148	160,969	-
Disposals/redemption	(528,404)	(93,393)	(25,000)	(4,153,130)	(143,649)	(50,000)
Effect of changes in foreign exchange rate	74,133	-	-	(31,680)	-	-
Net valuation gains (losses) on financial assets	24,649	(1,931)	-	226,857	4,619	-
Balances at end of period	2,377,305	442,730	385,000	2,259,970	469,914	410,000
Less noncurrent portion	1,001,823	-	375,000	968,493	-	375,000
Current portion	₱1,375,482	₱442,730	₱10,000	₱1,291,477	₱469,914	₱35,000

For the six months ended June 30, 2024 and 2023, dividend income from equity securities amounted to ₱41.5 million and ₱19.7 million, respectively (see Note 27), while interest income from debt securities amounted to ₱28.0 million and ₱14.8 million, respectively (see Note 25).

8. Property and Equipment

During the six-month period ended June 30, 2024 and 2023, the Group acquired assets with a cost of ₱4,627.7 million and ₱3,587.7 million, respectively, including construction in-progress.

Depreciation, amortization and depletion expense for the six months ended June 30, 2024 and 2023 amounted to ₱958.8 million and ₱914.2 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 June 30, 2024 and December 31, 2023 (see Note 12).

9. Investments in Associates

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
THNC	₱3,857,603	₱3,185,309
CBNC	2,170,705	2,299,671
BGI	-	-
	₱6,028,308	₱5,484,980

The movements in investments in associates follow:

	June 30, 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)	(26,527)	(361,678)	-	(388,205)	(214,620)	(821,778)	(1,423)	(1,037,821)
	903,802	(1,059,020)	(1,384)	(156,602)	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	698,821	232,712	-	931,533	(522,456)	(102,308)	-	(624,764)
	979,101	975,003	-	1,954,104	280,280	742,291	-	1,022,571
Balances at end of period	₱3,857,603	₱2,170,705	₱-	₱6,028,308	₱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 ₱293.1 million and ₱153.4 million as at June 30, 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 ₱36,195.0 million and ₱832.2 million, respectively, as at June 30, 2024, and ₱34,452.3 million and ₱238.2 million, respectively, as at December 31, 2023. For the six months ended June 30, 2024 and 2023, the results of THNC's operations were net loss of ₱265.3 million and net income of ₱1,105.3 million, respectively, and the Parent Company's equity in THNC amounted to ₱26.5 million loss and ₱110.5 million income, 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 ₱25,825.1 million and ₱828.8 million, respectively, as at June 30, 2024, and ₱26,650.4 million and ₱630.9 million, respectively, as at December 31, 2023. For the six months ended June 30, 2024 and 2023, the results of CBNC's operations were net loss of ₱2,314.7 million and ₱1,200.6 million, respectively, and the Parent Company's equity in net losses of CBNC amounted to ₱361.7 million and ₱187.6 million, 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 ₱444.5 million and ₱443.1 million as at June 30, 2024 and December 31, 2023, respectively. For the six months ended June 30, 2024 and 2023, the Parent Company's equity in net loss of BGI amounted to nil and ₱0.4 million, respectively. For the six months ended June 30, 2024 and 2023, the unrecognized equity in net losses of BGI amounted to ₱0.6 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 June 30, 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:

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Rizal Commercial Banking Corporation (RCBC)	₱3,490,871	₱2,352,454
SBC	3,488,325	3,495,641
	₱6,979,196	₱5,848,095

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. The principal and interest are payable one (1) year after drawdown.

Details of the drawdowns are as follows:

Drawdown Date	Maturity Date	Interest Rate	Amount	Debt Issue Costs
August 29, 2023	August 23, 2024	6.65%	₱2,364,000	₱17,487
April 1, 2024	March 27, 2025	6.65%	1,136,000	8,403
			₱3,500,000	₱25,890

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

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balances at January 1	₱2,364,000	₱–
Drawdowns	1,136,000	2,364,000
	3,500,000	2,364,000
Less unamortized debt issue cost	(9,129)	(11,546)
Balances at end of period	₱3,490,871	₱2,352,454

The interest expense on RCBC loan amounted to ₱109.2 million, which were all capitalized as borrowing cost, and nil for the six months ended June 30, 2024 and 2023, respectively.

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	Debt Issue Costs
July 8, 2022	July 29, 2024	5.75% to 7.75%	₱300,000	₱2,220
December 27, 2022	January 17, 2025	7.00% to 7.50%	1,200,000	8,285
February 10, 2023	January 30, 2025	7.00% to 7.75%	1,500,000	11,096
March 31, 2023	July 24, 2024	7.00% to 7.75%	500,000	3,699
			₱3,500,000	₱25,300

* 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:

	June 30, 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	(11,675)	(4,359)
Balances at end of period	₱3,488,325	₱3,495,641

The interest expense on SBC loans amounted to ₱61.6 million and ₱119.6 million for the six months ended June 30, 2024 and 2023, respectively (see Note 26).

The capitalized borrowing costs pertaining to short-term debts with SBC amounted to ₱82.7 million and nil for the six months ended June 30, 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 June 30, 2024 and December 31, 2023, EPI has been compliant with the covenants contained in the loan facility and agreements.

Long-term debts

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

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
JSI	₱1,340,701	₱1,434,712
TMC	717,973	726,731
DMC	513,485	526,157
	2,572,159	2,687,600
Less noncurrent portion:		
JSI	1,166,161	1,265,362
TMC	615,405	629,833
DMC	470,265	446,641
	2,251,831	2,341,836
Current portion	₱320,328	₱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 June 30, 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:

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balances at January 1	₱1,457,585	₱1,240,500
Payments	(96,850)	(132,915)
Drawdowns	–	350,000
	1,360,735	1,457,585
Less unamortized debt issue cost	(20,034)	(22,873)
Balances at end of period	1,340,701	1,434,712
Less noncurrent portion	1,166,161	1,265,362
Current portion	₱174,540	₱169,350

The interest expense on ICBC and SBC loans of JSI for the six months ended June 30, 2024 and 2023 amounted to ₱53.2 million and ₱48.6 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:

	June 30, 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 six months ended June 30, 2024 and 2023, the interest expense on TBEA loans of JSI amounted to nil and ₱4.5 million, respectively, of which there was no capitalized borrowing costs (see Notes 26 and 29).

TMC Loan

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:

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balances at January 1	₱726,731	₱829,355
Effect of changes in foreign exchange rate	29,015	(27,078)
Payments	(37,773)	(75,546)
Balances at end of period	717,973	726,731
Less noncurrent portion	615,405	629,833
Current portion	₱102,568	₱96,898

Interest expense pertaining to this loan for the six months ended June 30, 2024 and 2023 amounted to ₱28.5 million and ₱27.0 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 June 30, 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
June 28, 2024	August 16, 2030	7.00%	10,050	75
			₱569,166	₱4,268

** 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:

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balances at January 1	₱530,108	₱–
Drawdowns	27,905	541,261
Payment	(40,673)	(11,153)
	517,340	530,108
Less unamortized debt issue cost	(3,855)	(3,951)
Balances at end of period	513,485	526,157
Less noncurrent portion	470,265	446,641
Current portion	₱43,220	₱79,516

The interest expense pertaining to this loan, which were all capitalized as borrowing cost, amounted to ₱20.0 million and nil for the six months ended June 30, 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 June 30, 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 six months ended June 30, 2024 and 2023, accretion of interest on provision for mine rehabilitation and decommissioning amounted to ₱12.9 million and ₱11.4 million, respectively (see Note 26).

14. Equity

Capital Stock

The capital structure of the Parent Company follows:

	June 30, 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 June 30, 2024 and December 31, 2023, a total of 10,232,118,879 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 ninety-seven (97) and eighty-eight (88) shareholders, respectively, while the balance of 3,699,006,215 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 June 30, 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% per annum.

Additional Paid-in Capital

The movements in additional paid-in capital follows:

	June 30, 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	<i>Cash Dividends</i>					
	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	<i>Cash Dividends</i>					
	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 June 30, 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:

	June 30, 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 June 30, 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 six-month period ended June 30	
	2024	2023
	(Unaudited)	
a. Net income attributable to equity holders of the Parent	₱1,116,438	₱1,746,395
b. Weighted average number of common shares for basic EPS (in thousands)	13,931,125	13,762,662
c. Weighted average number of common shares adjusted for the effect of dilution (in thousands)	13,931,125	13,780,769
Basic/Diluted EPS	₱0.08	₱0.13

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 six-month period ended June 30	
	2024	2023
	(Unaudited)	
Cost of sale of:		
Ore	₱4,237,626	₱3,638,292
Limestone	60,006	60,730
	₱4,297,632	₱3,699,022

Details of cost of sales follow:

	For the six-month period ended June 30	
	2024	2023
	(Unaudited)	
Production overhead	₱1,889,890	₱1,885,098
Outside services	1,017,516	804,610
Personnel costs (see Note 23)	757,886	750,034
Depreciation, amortization and depletion (see Note 24)	537,905	514,937
	4,203,197	3,954,679
Net changes in beneficiated nickel ore and limestone	94,435	(255,657)
	₱4,297,632	₱3,699,022

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 six-month period ended June 30	
	2024	2023
	(Unaudited)	
Outside services	₱162,690	₱512,759
Overhead	82,045	55,207
Depreciation (see Note 24)	75,768	66,121
Personnel costs (see Note 23)	68,970	65,835
	₱389,473	₱699,922

19. Cost of Power Generation

	For the six-month period ended June 30	
	2024	2023
	(Unaudited)	
Depreciation and amortization (see Note 24)	₱169,105	₱175,538
Overhead	45,588	29,358
Materials and supplies	31,486	9,797
Outside services	23,413	24,249
Personnel costs (see Note 23)	15,080	14,040
	₱284,672	₱252,982

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

20. Shipping and Loading Costs

	For the six-month period ended June 30	
	2024	2023
	(Unaudited)	
Outside services	₱497,307	₱539,172
Materials and supplies	240,669	227,060
Depreciation and amortization (see Note 24)	75,579	72,251
Personnel costs (see Note 23)	66,647	50,808
Other services and fees	14,714	22,626
	₱894,916	₱911,917

21. General and Administrative Expenses

	For the six-month period ended June 30	
	2024	2023
	(Unaudited)	
Personnel costs (see Note 23)	₱262,114	₱239,312
Taxes and licenses	153,688	99,196
Depreciation and amortization (see Note 24)	78,165	65,654
Outside services	47,653	57,862
Dues and subscriptions	31,585	23,325
Professional fees	30,166	30,825
Publicity and promotions	28,423	25,501
Transportation and travel	20,391	24,185
Supplies	9,793	14,303
Communications, light and water	8,101	5,951
Rentals	5,568	5,559
Entertainment, amusement, and recreation	5,380	4,399
Repairs and maintenance	1,127	2,117
Donation	–	25,000
Others	36,856	36,839
	₱719,010	₱660,028

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

22. Excise Taxes and Royalties

	For the six-month period ended June 30	
	2024	2023
	(Unaudited)	
Royalties	₱334,692	₱395,969
Excise taxes	316,037	374,624
	₱650,729	₱770,593

23. Personnel Costs

	For the six-month period ended June 30	
	2024	2023
	(Unaudited)	
Salaries, wages and employee benefits	₱1,094,214	₱1,032,627
Pension cost	76,483	87,402
	₱1,170,697	₱1,120,029

The amounts of personnel costs are distributed as follows:

	For the six-month period ended June 30	
	2024	2023
	(Unaudited)	
Cost of:		
Sales (see Note 17)	₱757,886	₱750,034
Services (see Note 18)	68,970	65,835
Power generation (see Note 19)	15,080	14,040
General and administrative (see Note 21)	262,114	239,312
Shipping and loading costs (see Note 20)	66,647	50,808
	₱1,170,697	₱1,120,029

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 six-month period ended June 30	
	2024	2023
	(Unaudited)	
Cost of:		
Sales (see Note 17)	₱537,905	₱514,937
Power generation (see Note 19)	169,105	175,538
Services (see Note 18)	75,768	66,121
General and administrative (see Note 21)	78,165	65,654
Shipping and loading costs (see Note 20)	75,579	72,251
Others	40,391	27,366
	₱976,913	₱921,867

The above is distributed as follows:

	For the six-month period ended June 30	
	2024	2023
	(Unaudited)	
Property and equipment (see Note 8)	₱958,839	₱914,242
Computer software under "Other noncurrent assets"	18,074	7,625
	₱976,913	₱921,867

25. Finance Income

	For the six-month period ended June 30	
	2024	2023
	(Unaudited)	
Interest income from:		
Cash and cash equivalents	₱254,658	₱197,463
Financial assets at (see Note 7):		
FVTPL	11,717	–
FVOCI	10,189	7,928
Amortized cost	6,117	6,888
Short-term cash investments	15,895	2,731
Mine rehabilitation fund (MRF)	9,110	7,524
Negotiable instruments	–	650
Others	45	91
	₱307,731	₱223,275

26. Finance Expenses

	For the six-month period ended June 30	
	2024	2023
	(Unaudited)	
Interest expense on:		
Long-term debts (see Notes 12 and 29)	₱81,718	₱80,141
Short-term debts (see Note 12)	61,623	119,636
Pension	25,756	27,194
Others	–	6
Accretion of interest on:		
Lease liabilities (see Note 30)	35,690	28,945
Provision for mine rehabilitation and decommissioning (see Note 13)	12,852	11,389
Guarantee service fee (see Note 29)	17,381	15,803
	₱235,020	₱283,114

27. Other Income (Charges) - Net

	For the six-month period ended June 30	
	2024	2023
	(Unaudited)	
Foreign exchange gains (losses) - net	₱479,806	(₱71,084)
Gain on:		
Sale of property and equipment	51,449	13,683
Changes in fair value of financial assets at FVTPL (see Note 7)	24,649	27,265
Sale of financial assets at FVOCI	1	-
Dividend income (see Note 7)	41,477	19,698
Rentals and accommodations	30,269	31,861
Trust fee	(2,705)	(5,554)
Provisions for impairment losses on advances to suppliers and contractors	-	(2,791)
Others	19,661	83,880
	₱644,607	₱96,958

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 six months ended June 30, 2024 and 2023:

	For the six-month period ended June 30, 2024 (Unaudited)				
	China	Local	Singapore	Japan	Total
Sale of (see Note 29):					
Ore	₱4,104,474	₱2,443,538	₱1,172,902	₱70,074	₱7,790,988
Limestone	-	107,537	-	-	107,537
	₱4,104,474	₱2,551,075	₱1,172,902	₱70,074	₱7,898,525

	For the six-month period ended June 30, 2023 (Unaudited)				
	China	Local	Singapore	Japan	Total
Sale of (see Note 29):					
Ore	₱5,626,791	₱3,557,432	₱-	₱103,141	₱9,287,364
Limestone	-	78,230	-	-	78,230
	₱5,626,791	₱3,635,662	₱-	₱103,141	₱9,365,594

For the six-month period ended June 30		
	2024	2023
(Unaudited)		
Services (see Note 29)		
Materials handling	₱667,447	₱1,081,807
Sale of power		
Solar	₱616,194	₱390,628
Diesel	42,140	16,681
	₱658,334	₱407,309

29. Related Party Transactions

Set out below are the Group's transactions with related parties for the six-month period ended June 30, 2024 and 2023, including the corresponding assets and liabilities arising from the said transactions as at June 30, 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
	June 30, 2024	June 30, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023		
<i>Stockholders</i>												
Pacific Metals Co., Ltd.												
Sale of ore	₱70,074	₱103,141	₱-	₱-	₱-	₱-	₱-	₱-	₱-	₱-	80% to 90% upon receipt of documents and 10% to 20% after the final dry weight and applicable assay have been determined; noninterest-bearing	A
Despatch and other income (charges) - net	-	(599)	-	-	-	-	-	-	-	-	Collectible/payable on demand; noninterest-bearing	A
SMM												
Guarantee service fee (see Note 26)	17,381	15,803	-	-	9,947	8,963	-	-	-	-	Every twenty first (21st) of February, March, August and September	A
<i>With Common Stockholders</i>												
Manta Equities, Inc.												
Rentals, dues and utilities	32,736	27,167	-	-	108	977	-	-	-	-	Payable upon billing; noninterest-bearing	A
<i>Associates</i>												
CBNC												
Sale of ore and limestone	1,038,310	1,518,185	362,392	175,861	-	-	-	-	-	-	Thirty (30) days term; noninterest-bearing	A
Materials handling	408,739	837,961	146,676	357,759	-	-	-	-	-	-	Fifteen (15) days term; noninterest-bearing	A
Infrlease and throughput	2,917	2,875	48,734	36,279	-	-	-	-	-	-	Collectible at the end of February and August; noninterest-bearing	A
Other income	29,583	33,534	66,524	61,996	-	-	-	-	-	-	Collectible on demand; noninterest-bearing	A

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	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
	June 30, 2024	June 30, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023		
THNC												
Sale of ore	₱1,512,765	₱2,113,506	₱606,839	₱257,626	₱–	₱–	₱–	₱–	₱–	₱–	Thirty (30) days term, noninterest-bearing	A
Rendering of service	80,624	70,429	40,441	41,695	–	–	–	–	–	–	Semi-annual term; noninterest-bearing	A
Materials handling	156,202	156,488	54,244	48,361	–	–	–	–	–	–	Fifteen (15) days term; noninterest-bearing	A
Rental income	3,840	3,531	₱5,447	₱7,680	–	–	–	–	–	–	Collectible on demand; noninterest bearing	A
Loan facility	–	–	–	–	–	–	–	–	717,973	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)	28,492	27,008	–	–	10,647	11,226	–	–	–	–	Payable semi-annually on April 10 and October 10	A
Short-term advances	–	–	–	–	–	–	1,179	801	–	–	Collectible/ payable upon billing; noninterest-bearing; with allowance for ECL of ₱4.2 million as at June 30, 2024 and December 31, 2023	A
BGI												
Short-term advances	–	–	–	–	–	–	255,105	223,809	–	–	Collectible upon billing; noninterest-bearing	A
<i>Affiliates</i>												
TBEA												
Interest expense on long-term debt (see Notes 12 and 26)	–	4,493	–	–	803	803	–	–	–	–	Payable on or before the end of the fifth (5th) year after drawdown or on June 17, 2025	A

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	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
	June 30, 2024	June 30, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023		
Shell Energy Philippines, Inc												
Sale of power	₱201,169	₱248,912	₱94,813	₱34,580	₱-	₱-	₱-	₱-	₱-	₱-	Collectible upon billing; noninterest-bearing	A
			₱1,426,110	₱1,021,837	₱21,505	₱21,969	₱256,284	₱224,610	₱717,973	₱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 June 30, 2024 and December 31, 2023 that pertain to the extension and receipt of advances to and from related parties 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 six months ended June 30, 2024 and 2023 amounted to about ₱188.7 million and ₱195.2 million, respectively.

30. Leases

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

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balances at January 1	₱833,421	₱611,169
Payments	(37,686)	(75,761)
Accretion of interest (see Note 26)	35,690	63,704
Addition	–	236,295
Reversal	–	(1,986)
Balances at end of period	831,425	833,421
Less noncurrent portion	799,168	779,075
Current portion	₱32,257	₱54,346

For the six months ended June 30, 2024 and 2023, the accretion of interest on lease liabilities amounted to ₱35.7 million and ₱28.9 million, respectively (see Note 26), while the amortization of ROU assets included in "Property and equipment" amounted to ₱31.3 million and ₱24.8 million, respectively.

31. Income Taxes

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

	For the six-month period ended June 30	
	2024	2023
	(Unaudited)	
Current	₱564,868	₱1,010,375
Deferred	52,576	65,202
	₱617,444	₱1,075,577

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

The carrying amount of cash and cash equivalents approximates its fair value due to the short-term nature and maturity of this financial instrument.

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 June 30, 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 June 30, 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.

	June 30, 2024 (Unaudited)			December 31, 2023 (Audited)		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets measured at fair value:						
<i>Financial assets at:</i>						
FVTPL	P1,678,512	P-	P698,793	P1,561,177	P-	P698,793
FVOCI	442,730	-	-	469,914	-	-
	P2,121,242	P-	P698,793	P2,031,091	P-	P698,793

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.

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	June 30, 2024 (Unaudited)											
	Mining					Power		Services			Eliminations	Total
	HMC	CMC	TMC	RTN	DMC	EPI	NAC	RTN/TMC/ CDTN	HMC	Others		
External customers	P961,521	P774,198	P3,338,484	P2,532,383	P291,939	P616,194	P109,309	P667,447	P-	P-	P-	P9,291,475
Inter-segment revenues	-	-	-	-	-	-	-	31,089	-	269,327	(300,416)	-
Total revenues	961,521	774,198	3,338,484	2,532,383	291,939	616,194	109,309	698,536	-	269,327	(300,416)	9,291,475
Cost of sales	505,613	582,261	1,938,290	1,047,434	267,264	-	-	-	-	-	(43,230)	4,297,632
Cost of services	-	-	-	-	-	-	-	397,323	-	-	(7,850)	389,473
Cost of power generation	-	-	-	-	-	205,760	77,884	-	-	-	1,028	284,672
Shipping and loading costs	100,079	158,729	386,291	173,566	76,127	-	-	-	-	-	124	894,916
Excise taxes and royalties	86,537	89,129	333,848	126,619	14,596	-	-	-	-	-	-	650,729
Marketing	2,404	29,032	8,507	6,062	730	-	-	-	-	-	(19,477)	27,258
Segment operating earnings (loss)	P266,888	(P84,953)	P671,548	P1,178,702	(P66,778)	P410,434	P31,425	P301,213	P-	P269,327	(P231,011)	P2,746,795
General and administrative	P43,543	P65,384	P142,944	P113,316	P15,671	P156,263	P-	P38,144	P-	P380,733	(P236,988)	P719,010
Finance income	1,267	2,331	47,475	70,730	38	104,950	710	4,713	-	135,740	(60,223)	307,731
Finance expenses	1,976	4,570	23,672	9,741	115	156,059	-	28,509	-	34,201	(23,823)	235,020
Provision for (benefit from) income tax	57,702	2,565	169,973	282,059	-	15,532	839	-	-	89,647	(873)	617,444
Net income (loss) attributable to equity holders of the parent	209,280	(113,125)	385,801	617,543	(73,899)	314,729	31,299	167,408	-	(422,598)	-	1,116,438
Segment assets	P2,560,657	P1,492,238	P10,425,103	P7,301,192	P2,658,055	P28,649,690	P639,794	P979,882	P-	P34,131,035	(P28,124,508)	P60,713,138
Deferred income tax assets - net	22,568	25,719	39,466	129,801	176,058	-	-	-	-	-	-	393,612
Total assets	P2,583,225	P1,517,957	P10,464,569	P7,430,993	P2,834,113	P28,649,690	P639,794	P979,882	P-	P34,131,035	(P28,124,508)	P61,106,750
Segment liabilities	P707,754	P727,589	P3,173,823	P2,405,213	P3,470,599	P23,462,139	P20,355	P197,054	P-	P1,570,482	(P19,120,759)	P16,614,249
Deferred income tax liabilities	-	-	-	-	-	20,669	-	-	-	8,308	496,264	525,241
Total liabilities	P707,754	P727,589	P3,173,823	P2,405,213	P3,470,599	P23,482,808	P20,355	P197,054	P-	P1,578,790	(P18,624,495)	P17,139,490
<i>Other segment information:</i>												
Capital expenditures	P181,750	P33,834	P448,217	P266,358	P135,934	P3,483,987	P1,447	P3,296	P-	P72,921	P-	P4,627,744
Depreciation, amortization and depletion	P83,377	P48,390	P376,294	P132,409	P85,924	P157,067	P27,857	P25,766	P-	P43,364	(P3,535)	P976,913

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	December 31, 2023 (Audited)											
	Mining					Power		Services				
	HMC	CMC	TMC	RTN	DMC	EPI	NAC	RTN/TMC/ CDTN	HMC	Others	Eliminations	Total
External customers	P2,238,818	P2,779,035	P9,956,210	P6,165,673	P414,127	P687,522	P194,025	P2,264,128	P929	P-	P-	P24,700,467
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)	P843,697	P891,804	P4,611,237	P3,013,835	(P256,068)	P312,530	P55,285	P721,963	(P929)	P844,090	(P535,598)	P10,503,704
General and administrative	P119,982	P113,550	P340,897	P251,235	P47,364	P267,911	P-	P62,635	P-	P865,876	(P526,642)	P1,542,808
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	P2,023,949	P1,915,148	P9,561,078	P6,428,962	P2,447,034	P25,002,587	P680,501	P1,021,335	P-	P33,850,072	(P25,443,457)	P57,487,209
Deferred income tax assets - net	22,568	23,659	39,604	129,802	176,058	-	-	-	-	47,909	-	439,600
Total assets	P2,046,517	P1,938,807	P9,600,682	P6,558,764	P2,623,092	P25,002,587	P680,501	P1,021,335	P-	P33,897,981	(P25,443,457)	P57,926,809
Segment liabilities	P344,716	P381,430	P1,862,414	P1,657,824	P3,176,456	P20,998,341	P19,393	P339,598	P-	P1,601,072	(P15,938,344)	P14,442,900
Deferred income tax liabilities - net	-	-	-	-	-	20,669	-	-	-	847	357,407	378,923
Total liabilities	P344,716	P381,430	P1,862,414	P1,657,824	P3,176,456	P21,019,010	P19,393	P339,598	P-	P1,601,919	(P15,580,937)	P14,821,823
<i>Other segment information:</i>												
Capital expenditures	P742,818	P185,562	P1,153,315	P696,009	P685,084	P2,951,375	P2,486	P19,163	P-	P153,930	P-	P6,589,742
Depreciation, amortization and depletion	P187,274	P130,841	P813,544	P260,829	P127,740	P303,516	P55,525	P53,193	P-	P79,793	(P6,600)	P2,005,655

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	June 30, 2023 (Unaudited)											
	Mining					Power		Services			Eliminations	Total
	HMC	CMC	TMC	RTN	DMC	EPI	NAC	RTN/TMC/C DTN	HMC	Others		
External customers	₱834,757	₱705,945	₱4,269,244	₱3,457,800	₱97,848	₱390,627	₱83,851	₱1,081,807	₱-	₱-	-	₱10,921,879
Inter-segment revenues	-	-	-	-	-	-	-	25,218	-	251,264	(276,482)	-
Total revenues	834,757	705,945	4,269,244	3,457,800	97,848	390,627	83,851	1,107,025	-	251,264	(276,482)	10,921,879
Cost of sales	389,697	510,725	1,690,836	1,063,345	70,111	-	-	-	-	-	(25,692)	3,699,022
Cost of services	-	-	-	-	-	-	-	712,381	-	-	(12,459)	699,922
Cost of power generation	-	-	-	-	-	196,121	55,833	-	-	-	1,028	252,982
Shipping and loading costs	120,264	177,516	421,121	147,344	44,190	-	-	-	-	-	1,482	911,917
Excise taxes and royalties	75,128	90,758	426,925	172,890	4,892	-	-	-	-	-	-	770,593
Marketing	18,362	39,264	101,994	112,927	3,425	-	-	-	-	-	(251,264)	24,708
Segment operating earnings (loss)	₱231,306	(₱112,318)	₱1,628,368	₱1,961,294	(₱24,770)	₱194,506	₱28,018	₱394,644	₱-	₱251,264	₱10,423	₱4,562,735
General and administrative	₱18,334	₱42,177	₱48,493	₱49,702	₱18,088	₱98,064	₱-	₱37,388	₱-	₱331,000	₱16,782	₱660,028
Finance income	2,556	14,682	26,130	90,390	540	40,403	688	956	-	178,084	(131,154)	223,275
Finance expenses	1,363	2,511	19,510	11,875	6	272,929	6	27,008	-	33,777	(85,871)	283,114
Provision for (benefit from) income tax	49,467	406	412,076	487,607	-	9,515	-	-	-	117,763	(1,257)	1,075,577
Net income (loss) attributable to equity holders of the parent	150,705	(160,480)	763,455	868,461	(40,036)	(56,730)	28,700	238,306	-	(45,986)	-	1,746,395
Segment assets	₱2,139,590	₱2,320,142	₱10,128,482	₱7,653,440	₱2,136,167	₱19,683,822	₱703,738	₱964,528	₱-	₱30,886,292	(₱22,873,847)	₱53,742,354
Deferred income tax assets - net	27,556	41,301	31,000	111,451	82,142	1,047	-	-	-	40,696	-	335,193
Total assets	₱2,167,146	₱2,361,443	₱10,159,482	₱7,764,891	₱2,218,309	₱19,684,869	₱703,738	₱964,528	₱-	₱30,926,988	₱-	₱54,077,547
Segment liabilities	₱768,646	₱798,286	₱2,621,092	₱1,300,130	₱2,532,561	₱17,095,375	₱16,449	₱387,989	₱-	₱1,454,209	(₱14,365,392)	₱12,609,345
Deferred income tax liabilities	-	-	-	-	-	13,748	-	-	-	798	356,755	371,301
Total liabilities	₱768,646	₱798,286	₱2,621,092	₱1,300,130	₱2,532,561	₱17,109,123	₱16,449	₱387,989	₱-	₱1,455,007	(₱14,008,637)	₱12,980,646
<i>Other segment information:</i>												
Capital expenditures	₱521,305	₱140,840	₱829,346	₱415,985	₱305,446	₱1,430,185	₱661	₱3,989	₱-	₱126,479	₱-	₱3,774,236
Depreciation, amortization and depletion	₱83,438	₱65,720	₱372,052	₱122,409	₱40,201	₱149,704	₱27,704	₱25,460	₱-	₱38,578	(₱3,399)	₱921,867

The Group has revenues from external customers as follows:

	For the six-month period ended June 30	
	2024	2023
Country of Domicile	(Unaudited)	
China	₱4,104,474	₱5,626,791
Local	3,944,025	5,191,947
Singapore	1,172,902	–
Japan	70,074	103,141
	₱9,291,475	₱10,921,879

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 six-month period ended June 30	
	2024	2023
	(Unaudited)	
THNC	₱1,749,592	₱2,340,423
CBNC	1,447,049	2,356,146
Ningbo Lygend Wisdom Co. Ltd.	1,440,574	1,761,624
Union Wave Holding Pte. Ltd.	1,241,955	1,335,797
Big Wave Resources Co., Limited	1,212,285	1,507,879
SG Union Trading Pte Ltd.	1,172,902	–
	₱8,264,357	₱9,301,869

34. Event after the End of the Financial Reporting Period

On May 3, 2024, the DOE notified MGPC that GRESC No. 2010-02-013 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 appealed the termination of the service contract.

After a thorough review of the documents submitted by MGPC, the DOE granted on July 5, 2024 the reinstatement of GRESC No. 2010-02-013 and approved the proposed 5-year Work Program, subject to non-negotiable milestones. MGPC's failure to comply with the milestone shall result in the termination with finality of the GRESC.